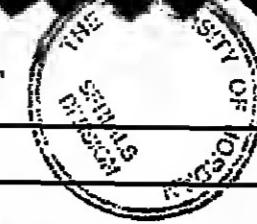


Herald Tribune



INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST



STAR WARS™ Mania Page 3
TODAY

The World's Daily Newspaper

R

London, Tuesday, August 11, 1998

No. 35,906

Swedes Yearn For the Good Old Days as Election Nears

By Warren Hoge
New York Times Service

STOCKHOLM — The waterfront palaces and baronial shoreline buildings of this northern capital stand as sturdy symbols of Scandinavian stability, and the sailboats and tourist vessels that glide over the grey Baltic waters leave barely a ripple.

But contrary to many outward signs of sureness, continuity and calm, Sweden is approaching its future and an election with a sense of drift and an unaccustomed air of confusion over what to do about it.

In this decade Swedes have lost their feeling of being exceptional, and experienced their first unemployment, social spending scandals and a decline in competitiveness.

The Organization for Economic Cooperation and Development has reduced Sweden's per capita income standing from fourth to 15th place, ranking it behind its Scandinavian neighbors, Denmark, Finland and Norway, as well as Ireland and Italy.

In largest and most successful company, the telecommunications giant Ericsson, is threatening to move its headquarters to Britain, where it finds the business climate better. Industrialists cite high personal income taxes and rigid labor rules as impediments to remaining competitive globally while doing business in Sweden where the work force is 80 percent unionized, and 31 percent of the jobs are in the public sector.

Long serenely satisfied with life at home and quietly proud of their country's position as the world's good conscience, Swedes now miss being the society that attracted admiration from abroad for their nation of less than 9 million people living on the chill edge of Europe. Then they were the future, a postwar model of rationality, tolerance, cradle-to-grave care of their own citizens and generosity to people living in less advantaged countries overseas.

The nostalgia arises in every conversation with Swedes about their country and has produced an election campaign in which the most repeated claim is not a dynamic pledge to bring change but a solid promise to restore what was.

"Restore is the key word," said Stigfrid Leijonhufvud, a political and economic columnist for the Svenska Dagbladet. "The desire is to go back to when Sweden was one of the three or four richest countries in the world, when we were listened to in the United States and labor and management used to come and tour Sweden to see how we did it and everyone looked to us for the solution."

It was the renegade Middle Way that sought to provide a humane passage between controlling totalitarianism and uncaring capitalism, and its home was Sweden. "It was absurd, but we thought of ourselves as a kind of superpower," said Arne Ruth, an author and former editor in chief of Dagens Nyheter. "We had the certainty that progress was permanent. Now that feeling of exceptionalism has been lost, and we are just another normal nation."

Like other normal nations, Sweden faces the new pressure of competing in a globalized economy where progress is measured in enterprise and productivity, and meeting that challenge may be at cross purposes with satisfying its aging population's desire to keep its massive welfare state subsidies intact.

Tentative government attempts to trim its welfare costs are as resented that officials have promised to increase spending and abandon talk of tax cuts. "Talking about tax cuts in this campaign is like swearing in church," said Torbo Sjören, research chief at the Sifo opinion surveying group.

The government spends 46 percent of Sweden's gross national product on welfare, more than any other country, and its overall public spending is 63 percent of gross national product. The income taxes required to support this public munificence take 59 percent of the pay of people earning as little as \$30,000 a year and oblige employers to pay up to 41 percent of employee

See SWEDEN, Page 4

The Dollar		
New York	Monday @ 4 PM	previous close
DM	1.7755	1.772
Yen	146.25	144.275
FF	5.9525	5.942
Pound	1.658	1.6542
Dollar per pound		
 The Dow		
Monday close percent change		
—23.17	8,574.85	—0.27%
S&P 500		
—6.31	1,083.14	—0.58%
Nasdaq		
—7.56	1,939.21	—0.41%

DEATHS OF WITNESSES COMPLICATE INVESTIGATION



Prudence Bushnell, the U.S. ambassador, paying tribute to the dead at Nairobi airport Monday. John McConnie/The Associated Press

U.S. Agents Sift Rubble and Rumor Of Nairobi Blast

By Raymond Bonner and James C. McKinley Jr.
New York Times Service

NAIROBI — As rescue teams dug through rubble in a final, desperate search for victims of the bombing of the U.S. Embassy here, U.S. law enforcement and intelligence teams Monday began sifting through the debris in a painstaking search for the tiniest clue that might provide evidence as to perpetrators.

Across Haile Selassie Avenue from the embassy and collapsed Uhuru House, FBI agents, men and women, in hard hats and baseball caps with their agency's logo, wielded rakes and shovels on the first full day of their demanding investigation.

Their task will be compounded by the fact that many individuals close enough to be witnesses were probably killed, and frustrated by the need to sift through wild rumors.

But a witness interviewed Monday by The New York Times said he saw a man jump from a yellow pick-up truck and



Women from the Israeli special rescue team combed the wreckage. Associated Press

U.S. embassies may have to move from central urban areas. Page 5.

Will China Give Up on the Yuan?

Economists See No Devaluation, but Markets Aren't Convinced

By Seth Faison
New York Times Service

SHANGHAI — China will not devalue its currency in the coming year.

That's not just a promise, repeated by Chinese leaders so often that their political stake in maintaining the currency has become paramount to all other concerns. It is also the consensus of a broad array of economists who understand the peculiar characteristics of China's half-reformed economic system.

Yet almost every day now, markets around Asia seethe sharply as traders play on concern that Beijing will decide to change the value of its currency, the yuan.

On Monday, stock markets in Tokyo, Singapore, Thailand and South Korea all fell, while the U.S. dollar hit fresh highs against the Malaysian ringgit and Singapore dollar. The ripple effects were felt in stock markets across Europe, which fell between 1 percent and 3 percent.

To explain the phenomenon, traders and analysts worried that a weakening Japanese yen will force Beijing to cave in on its promise to remain a primary source of stability in the region.

It is a refrain that has echoed around Asia since the end of last year. Yet if feeds on an analysis of statistical figures, as faulty then as it is now, that fundamentally

See YUAN, Page 4

Critics Attack Japan Banking Plan

By Sandra Sugawara
Washington Post Service

TOKYO — Opposition politicians in Japan denounced Prime Minister Keizo Obuchi's banking reform package Monday, reducing chances for swift passage of the measures.

In a speech in Parliament, Kansei Nakano, a member of the Democratic Party of Japan, the main opposition group, called Mr. Obuchi's plans to stabilize the debt-ridden banking system a "joke." He labeled Mr. Obuchi's plan to cut taxes by close to \$48 billion "a sleight of hand" that had not been well thought out.

Several analysts said the strong rhetoric raised questions about whether Mr. Obuchi had enough support among legislators to get his package passed quickly.

"Under the current conditions, some kind of early agreement is unlikely," said Terunasa Nakaniishi, political science professor at Kyoto University. But he said that if the financial crisis in Japan and Asia were to quickly worsen or if there was intense international pressure in support of Mr. Obuchi's plan, the Democratic Party might back down.

"Otherwise, it will take more than a month for something to be worked out," Mr. Nakaniishi said. But he acknowledged that not all opposition groups were in accord with the Democratic Party and that the governing Liberal Democratic Party could take advantage of this schism. "At this moment, it's hard to know what kind of behind-the-scenes deals will be made."

See JAPAN, Page 5

Starr Expected to Spotlight Lewinsky in Report

By Brian Knowlton
International Herald Tribune

WASHINGTON — If Kenneth Starr, the independent counsel, submits a report to Congress detailing possible grounds to impeach President Bill Clinton — as he is widely expected to do — it will focus on the Monica Lewinsky sexual issue, according to news reports that appeared here on Monday.

The focus of the reporting is that Mr. Starr will leave other aspects of his four-year investigation for a separate presentation.

The Associated Press quoted an unidentified "Starr ally" as saying that, while no final decision had been made, a report to Congress was expected to focus on whether Mr. Clinton had committed perjury or sought to obstruct justice in the Lewinsky case.

Time and Newsweek magazines carried similar stories, citing unnamed sources.

Mr. Starr would deal with the other principal targets of his inquiry — including the Clintons' role in the Whitewater land venture in Arkansas; the discovery in the Clinton White House of hundreds of FBI files on prominent Republicans,

and the dismissals of White House travel office employees early in Mr. Clinton's first term — in a separate report to the appeals court panel that appointed him, according to the media reports reflecting Washington information.

If a Starr report to Congress does focus narrowly on the Lewinsky matter, it could be a double-edged development.

It would become easier for the Clinton supporters to deride the Starr investigation as a politically motivated witchhunt into conduct that

See STARR, Page 5

U.S. Won't Cower From Terrorism, Clinton Vows

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton on Monday mourned the victims of the bombings in Africa, vowed to "do whatever we can to bring the murderers to justice" and said the United States would "not be deterred by the threat of other action."

The United States is offering a \$2 million reward for information leading to the arrest and conviction of those responsible for the deadly bombings Friday in Kenya and Tanzania. Secretary of State Madeleine Albright, in announcing the reward, said that the United States would "not be intimidated" by terrorists.

Mr. Clinton, who was in Louisville, Kentucky, to address a health-care gathering, said that "our hearts are heavy" with the news that 12 Americans and about 200 Africans had died.

He said that U.S. investigators at the sites of both bombings were "searching and finding evidence," though he did not elaborate.

"There has never been a time in human history when we have been free of the organized forces of destruction," Mr. Clinton said, "and the more open the world becomes, the more vulnerable people become to those who are organized and have weapons, information technology and the ability to move."

"We must be strong in dealing with this," he added. "We must not be deterred by the threat of other action. There is no way out if we start running away from this kind of conduct."

Cutting short what was to have been a

See CLINTON, Page 5

Toll From Cyprus Heat Hits 52

NICOSIA (Reuters) — Fifty-two people have died in Cyprus and hundreds more have been hospitalized with dehydration and sunstroke since a blistering heat wave hit the island last week, the authorities said Monday.

Almost all the people who died were over 70. Temperatures in the eastern Mediterranean have exceeded 40 degrees centigrade (104 Fahrenheit) for several days.

Books Page 8
Crossword Page 16
Opinion Pages 6-7
Sports Pages 16-17

The IHT on-line www.iht.com

AGENDA

Congo Government Forces Claim Success Against Rebels

ABIDJAN, Ivory Coast (NYT) — Congolese officials said Monday that government troops had beaten back rebels who held several strategic towns in the west of the country, encircling many of them at a rebel-held military base.

According to the government's account, largely supported by Western diplomats, troops loyal to President Laurent Kabila contained the rebel forces to an area between the coastal towns of Banana and Kitona, where fighting continued. The rebels opened a western front last week, when they flew hundreds of rebels by commando aircraft to Kitona from the east.

Earlier article, Page 2.

Climate Warms — to Disease

Scientists Link El Niño Weather to an Increase In Outbreaks of Illness Around the World

death in recent months. While most of the evidence is circumstantial, consisting of correlations and coincidences, it suggests that amid all the scientific smoke there is some fire.

These are some of the clues: • The World Health Organization reports "quantitative leaps" in the incidence of malaria around the world, coincident with extreme weather events associated with El Niño. Both heat and variations in rainfall affect transmission of the disease by mosquitoes.

• Tens of thousands of people in Kenya and Somalia were afflicted by another mosquito-borne disease — Rift Valley fever — and at least 200 died after the heaviest rains since 1961, attributed to El Niño, fell on the region.

• The incidence of cholera increased markedly over the last year in Latin America, where an epidemic had already been in progress for seven years, and in parts of Africa. In both instances the surge in cases was associated with heavy rainfall and floods linked to El Niño.

See WARM, Page 5



A boy cooling himself off Monday in Paris as temperatures soared in a heat wave that extended from Britain to Holland, Austria and Eastern Europe. Ann Schlesinger

Unwanted Children / From Hungary to America, and Back**Two Adoptions End in Return to Sender**

By Peter S. Green
International Herald Tribune

EGER, Hungary — When they left the state children's home here in 1996, 7-year-old Gabor and 8-year-old Karoly were looking forward to a bright future as the newly adopted sons of two American couples in the wealthy suburbs of Connecticut.

In March, the boys, their names now officially Gabriel Petrosino and Jeremy Harper and their language now English, found themselves back in Hungary, delivered with little ado to the doorstep of Budapest's main orphanage, each with two bags of clothing and toys, and a lifetime of emotional scars.

Their adoptive parents had simply had enough. They said the boys were children from hell, violent and emotionally disturbed. Unwilling and unable to fit in, they were destroying the lives of their adoptive families.

Adoptions are not meant to be dissolved like mistaken marriages, and under a United Nations treaty protecting children, they cannot be. But legal loopholes in both Hungary and the United States, neither of which has signed the treaty, means that canceling the two boys' adoptions was no more difficult than an average divorce.

The two boys are now back in foster care, but Hungarian officials say the case has revealed the dark side of Hungary's adoption system, which does not properly prepare or screen prospective parents and which they suspect is riddled with bribery, corruption and even baby-selling schemes.

Two lawyers for the parents said that the parents spirited the boys back to Hungary and asked that their adoptions be annulled days before child welfare authorities in Connecticut were to remove one boy from his family. The lawyers said Gabor falsely accused his parents of abuse because he wanted to be sent back to Hungary.

But Hungarian officials said that returning the two, like a pair of faulty video games, was a cruel shock, and that few homes should have been found for them in America.

All that the parents said when they left the boys at the entrance to the Budapest children's home was "bye," reported the parents' Hungarian lawyer, Istvan Fekete.

"I was so hit shocked myself," Mr. Fekete said. "I know they lived together for two years." But he said the boys were also outwardly unemotional about being returned.

"I said, 'Do you know your families don't want you?' They both said, 'O.K.' There was no sadness," he recalled.

"Now, adoption seems to be a commercial transaction," said Maria Herzog, director of Hungary's National Institute of Family and Children. "Parents can choose children and bring them home, and if they don't like them they can bring them back."

And that, Mrs. Herzog said, is devastating for the children. "They have to learn for the second or third time that they are not wanted," she said. "They learn they are not good enough for anyone, to be loved. And when they grow up, can you see what good fathers they will be?"

Hungarian authorities are waging a court

battle against annulling Gabor and Karoly's adoptions, fearing a tide of unhappy foreign parents will simply return their problematic adopted children.

The parents' American lawyer, Sheri Paige, said the boys were so emotionally damaged before they reached Connecticut that their adoptive parents had to send them back or risk destroying their own families.

Mrs. Paige said both boys suffer from "attachment disorder," the effect of spending in-

Karoly, she said, behaved even worse toward his adoptive family. "The kid arrives in America and starts to make sexual passes at their 12-year-old son," Mrs. Paige said. "The kid is getting violent with the baby. And he's defeating in the middle of the living room floor and he's beating up black kids because they are darker than him."

But the real trouble began, Mrs. Paige said, when Gabor told teachers his adoptive parents beat and abused him. Karoly made similar accusations. Authorities investigated, repeatedly but found no signs of abuse, Mrs. Paige said. They found only that Gabor and Karoly wanted to return to Hungary.

Fearing that their own children could be taken away from them if the boys kept making their accusations, Gabor's parents, the Petrosinos, brought him to Hungary at Mrs. Paige's urging, she said. The day they delivered their adopted son to the Budapest orphanage, Mrs. Paige said she told the Harper family to come to Budapest. Two days later, Karoly was returned to the orphanage.

Magdolna Nagy, director of the Eger children's home, said that Mrs. Paige's descriptions, which the parents repeated at a Hungarian hearing, hardly matched the boys she knew. Instead, she said the families were simply trying to shift the blame for failure.

"It's clear he needed a lot more attention from the family and should not have been put right into school," Miss Nagy said of Gabor. While his adoptive parents had hired tutors and counselors and contacted a Hungarian-speaking priest, Miss Nagy said one thing was clear: "It seems everyone tried to help the kid, except the parents themselves."

When Gabor and Karoly returned they were in shock for months, she said.

Like many former Communist states, Hungary's understaffed and under-equipped orphanages were filled with unwanted children when the Iron Curtain fell. But most are not orphans. Instead, they are often troublesome children of poverty-stricken parents from Hungary's large Roma minority.

Many childless Western parents, desperate to adopt light-skinned babies, found them in Eastern Europe. But often they did not know that the children were available only because they were handicapped or so badly abused that they could not find parents in their home countries.

Both Mrs. Herzog and Mrs. Paige said they suspected bribery may have played a part in Gabor and Karoly's adoptions and may explain why the parents never learned the boys were troubled.

Both Mrs. Herzog said that whatever the circumstances, returning the boys to Hungary was wrong.

"I'm not sure that these new parents can cope, and after another break, it's over, and these kids won't be able to attach at all," Mrs. Herzog said. "It's a very scary thing. They'll trust no one."



Karoly, 10, was sent back to Budapest after spending two years with an American family.

fancy without the emotional attachment to a mother.

Mrs. Paige said that neither the home nor the adoption agent, a Connecticut lawyer named Maria Tomasky, told her clients the boys had a history of abuse.

"What Maria and the orphanage didn't tell my clients is that he had a 15-year-old Gypsy prostitute, drug-addict mother who'd come every week to the orphanage and sleep right next to him and then come back," Mrs. Paige said, referring to Gabor.

"When he learned English, the first thing he says is 'I don't wanna be adopted, I have a mother and a sister. I love my mother and my sister. I want to go back to Hungary.'

Gabor, she said, was so unhappy in the exclusive Connecticut town of Wilton that he attacked his English tutor and was so disruptive that his school insisted his adoptive mother monitor him throughout the day.

Serious breaches in the dike system at Jiujiang have been filled, but low-lying parts of the city remain flooded, he said. The river burst a hole 60 meters (200 feet) wide in a Jiojiang levee

night as the crest barreled toward the city of 500,000.

The situation is already very dangerous," said a flood control official who also gave only his surname, Xiong. "The crest is going to test everything we've got."

Serious breaches in the dike system at Jiujiang have been filled, but low-lying parts of the city remain flooded, he said. The river burst a hole 60 meters (200 feet) wide in a Jiojiang levee

night as the crest barreled toward the city of 500,000.

Friday, state media said. Floods from summer rains that fell heavier and earlier than usual have killed more than 2,000 people nationwide, the government says.

The Yangtze has risen to levels not seen since 1954, when floods killed about 30,000 people.

Some flood victims have been sheltering in lean-toos for more than six weeks, raising concerns over the spread of disease, dysentery, infections

and psychological stress.

On Sunday, flood officials staked dikes in Jianli County, about 140 kilometers (90 miles) upstream from Wuhan in the central Hubei Province.



A Congolese government soldier organizing army volunteers Friday in Kinshasa.

Is Rwanda Leading Rebels?**Foreigner Hijacked Jet for Congo Insurgents, Pilot Says**

By Howard W. French
New York Times Service

After dropping off the insurgents, the pilot said, the airplanes took off again, with orders to head east.

"Instead of flying back to Kigali, as I was told by Commander Kabarebe, I flew to Lagos, in Nigeria, where I am from, with two wounded aboard," Mr. Gnang said from Kinshasa, where he has since gone. "I did not want to be an accomplice of the rebels."

Since landing at Kitona, Congolese government officials say, the rebels have managed to rally to their side many troops from the defeated army of Marshal Mobutu. These troops were being retrained there for Mr. Kabila's army by Rwandan instructors until Mr. Kabila ordered the Rwandans home two weeks ago.

The rebels already control most of the far eastern part of the country. But in the last few days, Western diplomats say, they have moved from the Kitona base to seize two important towns in the west, Banana and Moanda, that control access to the country's only seaport, Matadi.

In the latest fighting, though, they are reported to be encountering strong government resistance about 260 kilometers (160 miles) southwest of Kinshasa.

From the time Mr. Kabila was installed in power by Rwanda, his falling-out with his former patrons has been gradual but steady. In the earliest clear sign of a rift, disgruntled Congolese Tutsi, the ethnic cousins of the Tutsi who dominate Rwanda's government, fought a gun battle last November against other Congolese troops in the capital.

The fighting followed Mr. Kabila's demotion of a senior Congolese Tutsi officer who had played a key role in Mr. Kabila's insurrection against Marshal Mobutu.

Experts in the region's affairs say that what seemed to have prompted the current fighting was a feeling in Rwanda, as well as in Uganda and Angola, two other important sponsors of Mr. Kabila's own uprising, that his government was doing too little to stop cross-border incursions into those countries by rebels who use Congolese territory for rear bases.

The hijacked pilot's account came on a day when the Congolese authorities gave details of what they said was substantial foreign involvement in the rebellion. The Kabila government has accused not only Rwanda but also Uganda of sending troops and tanks into northeastern Congo in support of the rebels.

The United States, which as recently as a few months ago was a strong supporter of Mr. Kabila's, seems to have wearied of his arbitrary rule, erratic style and persistent human rights violations.

"Kabila was careless enough to ignore the concerns of the people who created him," one African diplomat said.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.



Map, forecasts and data provided by AccuWeather, Inc. ©1998 <http://www.accuweather.com>

North America

Today High Low W CPT CPT CPT CPT

Tomorrow High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

Saturday High Low W CPT CPT CPT CPT

Sunday High Low W CPT CPT CPT CPT

Monday High Low W CPT CPT CPT CPT

Tuesday High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

Saturday High Low W CPT CPT CPT CPT

Sunday High Low W CPT CPT CPT CPT

Monday High Low W CPT CPT CPT CPT

Tuesday High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

Saturday High Low W CPT CPT CPT CPT

Sunday High Low W CPT CPT CPT CPT

Monday High Low W CPT CPT CPT CPT

Tuesday High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

Saturday High Low W CPT CPT CPT CPT

Sunday High Low W CPT CPT CPT CPT

Monday High Low W CPT CPT CPT CPT

Tuesday High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

Saturday High Low W CPT CPT CPT CPT

Sunday High Low W CPT CPT CPT CPT

Monday High Low W CPT CPT CPT CPT

Tuesday High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

Saturday High Low W CPT CPT CPT CPT

Sunday High Low W CPT CPT CPT CPT

Monday High Low W CPT CPT CPT CPT

Tuesday High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

Saturday High Low W CPT CPT CPT CPT

Sunday High Low W CPT CPT CPT CPT

Monday High Low W CPT CPT CPT CPT

Tuesday High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

Saturday High Low W CPT CPT CPT CPT

Sunday High Low W CPT CPT CPT CPT

Monday High Low W CPT CPT CPT CPT

Tuesday High Low W CPT CPT CPT CPT

Wednesday High Low W CPT CPT CPT CPT

Thursday High Low W CPT CPT CPT CPT

Friday High Low W CPT CPT CPT CPT

EUROPE

In Moscow, Watermelon Vendors Find Competition Hot

By Celestine Bohlen
New York Times Service

MOSCOW — Take the highway out of Moscow toward Ukraine and about a dozen miles outside the capital you will find Aras Gusyov, a mechanic from Azerbaijan, crouched by a 6-foot-square metal pen, specially built to hold 15 tons of watermelons.

By his reckoning, those 15 tons will be sold in as many days — a brisk turnover compared with that of Nina Yegorova, 37, a factory worker with a degree in economics, who sits a few hundred feet away hawking the two tons of watermelons she and her husband brought in a van from a vacation in southern Russia.

On any given day, about a dozen watermelon vendors set up their stands — sometimes pent twice the size of Mr. Gusyov's, packed shoulder-high with great green globes along a 16-kilometer (10-mile) stretch of the same highway.

peddling the bumper crop of watermelons flooding in to Moscow from all corners of the former Soviet Union.

Nature has much to do with the glut. A heat wave in southern Russia, where they bought watermelons for 2 rubles a kilogram (16 cents for 2 pounds), and several weeks sitting by the highway selling them for the going price of 2 rubles a kilogram, all Mrs. Yegorova had to show for her initiative was the equivalent of a month-and-a-half's salary — 3,000 rubles (about \$480) — at a nearby aviation factory.

"If you consider the gas, the time and the weariness, it isn't worth it," she said.

Roadside vendors, particularly non-Russians, are easy prey for bands of young toughs, or even local policemen who swoop by in their cars, collect armfuls of watermelons and drive off in a cloud of dust.

Mr. Gusyov, who lives in a tent pitched in a forest off the highway, lost 2 tons of watermelons to one such raid.

For traders and seasonal workers,

found a good way to earn extra money.

But after two trips down to the Astrakhan region of southern Russia, where they bought watermelons for 2 rubles a kilogram (16 cents for 2 pounds), and several weeks sitting by the highway selling them for the going price of 2 rubles a kilogram, all Mrs. Yegorova had to show for her initiative was the equivalent of a month-and-a-half's salary — 3,000 rubles (about \$480) — at a nearby aviation factory.

"If you consider the gas, the time and the weariness, it isn't worth it," she said.

Roadside vendors, particularly non-Russians, are easy prey for bands of young toughs, or even local policemen who swoop by in their cars, collect armfuls of watermelons and drive off in a cloud of dust.

Many of the watermelons come from Astrakhan, best known for its fast-dwindling supply of black caviar and the sweetness of its watermelons. According to Nikolai Chelobanov, president of the Astrakhan Farmers Association, his members are happy to sell to private traders who pull trucks and vans

Moscow remains a magnet. "Moscow has high salaries, people here have money," Mrs. Yegorova said. "That's why people come here."

Local regulations mandate a vendor's license, which in Mrs. Yegorova's case costs about \$17 a year. For Mr. Gusyov, who is not a Russian citizen, a temporary residence permit is required, which he says he has.

For the most part, the brisk watermelon trade has neatly bypassed Moscow's major fruit and vegetable wholesalers, who supply produce stores. There, as in Soviet times, watermelons appear only sporadically, and at higher prices than on the streets.

Many of the watermelons come from Astrakhan, best known for its fast-dwindling supply of black caviar and the sweetness of its watermelons. According to Nikolai Chelobanov, president of the Astrakhan Farmers Association, his members are happy to sell to private traders who pull trucks and vans

right up onto the fields, and avoid the wholesalers who take a layer off their profit.

Mr. Chelobanov says most Astrakhan watermelons are now being grown by private farmers, who according to official figures cultivate only 8 percent of the region's plowed land, but account for 19 percent of local agricultural products.

In recent years, he said, Astrakhan farmers have focused on cash crops for the Moscow market, which in addition to watermelons include tomatoes, eggplants, peppers and, most recently, onions.

But of all their crops, the watermelon is king — a traditional summer treat for Russians, to be eaten as an accompaniment to vodka. "When you eat a ripe Astrakhan watermelon, you don't want to stop eating," Mr. Chelobanov said. "You know the best way to eat an Astrakhan watermelon? Without a shirt or a T-shirt, so that juices run down your chin and onto your belly."

BRIEFLY

Cold War Negotiator Is Cleared

BERLIN — Saying the former East German government was at fault over its negotiator, a federal court lifted the extortion conviction of a former East German lawyer who arranged spectacular spy and dissident swaps during the Cold War, judicial officials said Monday.

Wolfgang Vogel, now 72, negotiated the swaps of at least 150 spies, as well as the release of nearly 34,000 East German political prisoners and the relocation to the West of about 215,000 East Germans.

After the Berlin Wall fell, he and some of his associates were tried on charges of having extorted cash and property from those they helped move to the West. Mr. Vogel was convicted of extortion in one trial, but cleared in another.

The case reached the Federal Court of Justice in Leipzig after both prosecutors and Mr. Vogel's defense sought clarification of the dueling rulings. (AP)

Longer German Store Hours?

BONN — Pointing to a survey that found most Germans happy about being able to shop later, Economics Minister Guenter Rexrodt said Monday that he would like to see the store-closing laws loosened even more.

A poll by the Ifo institute and Infratest found 55 percent of Germans in favor of the longer shopping hours that have been in effect since November 1996.

But the president of the main German retailers association, Hermann Franzen, said that it would take at least two more years before his members could discuss another liberalization of store hours. "We're not living in America after all," he said. (AP)

2 Cases of 'Mad Cow' in France

PARIS — Two new cases of "mad cow" disease have surfaced in France, bringing the number of cases discovered in the country so far this year to nine, the Agriculture Ministry said Monday.

A total of 40 cases of the disease, officially known as bovine spongiform encephalopathy, have been reported in France since it first appeared in 1990. (Reuters)

Sweden Apologizes to the Sami

STOCKHOLM — The reindeer-herding Sami people of northern Sweden have won an apology from the government for centuries of oppression.

The Sami, who number about 70,000 and who dislike the more widely used names Lapp and Lapp, are pushing for rights as an indigenous people.

Agriculture Minister Annika Ahlberg said Saturday that the government wanted to "apologize to the Sami people for the abuses carried out against them." (Reuters)

SWEDEN: Country Is Adrift

Continued from Page 1

representing the pursuit of stability instead of innovation and dependence on collective action as opposed to individual initiative. Other industrialized countries were crowded into the top quarter for their willingness to take risks and act decisively. Sweden's only companion in the far-left bottom spot was Japan.

The streets of Stockholm offer reminders of Sweden's days as a pioneer of style and social conscience. Wheelchair runners are common, stoplights along the Drottninggatan shopping route are accompanied by a staccato beep that alters its rhythm when the light turns so that blind people know when to cross safely.

Downtown offices reflect the sleek Swedish Modern style that revolutionized design in the 1960s.

The end of the Cold War has dramatically altered the rationale for Sweden's traditional nonaligned posture. Once the Baltic Sea was a wall between Sweden and the Soviet Republics of Russia, Estonia, Latvia and Lithuania. Now one of the first signs off the highway in from Stockholm's Arlanda International Airport points to the ferry for Tallinn, the Estonian capital.

Sweden has found itself pressed to drop the neutrality it adopted in both world wars and join an expanding NATO. While determined to resist that, it has participated in the Bosnia peacekeeping organized by the organization.

In a 1994 referendum, Sweden narrowly decided to join the European Union, but the public has attributed many of its problems since then to Brussels. Polls suggest that a vote today would go against membership. Sensing this mood, the government of Prime Minister Goran Persson has ruled out even holding a vote on whether to join the European single currency being introduced next year.

Once a nation that spoke out on conditions around the world, Sweden has become inward-looking and self-absorbed. It was once an asset at home to be a figure on the world stage like Dag Hammarskjold or Olof Palme, but experience abroad has not been a domestic benefit to Carl Bildt, the former prime minister who returned from two years as a chief foreign peace envoy in Bosnia in 1996 to head up the opposition Moderate Party. His party has steadily lost popularity under his leadership.

Mr. Bildt argues that the two major parties are on the same train but that his is on the front looking forward and Mr. Persson's is on the back staring at the past. Polls are showing that the restoration-fixated voters of Sweden are likely next month to follow him back to the caboose.



INSPECTION TRIP — Defense Minister Volker Ruehe of Germany studying a map Monday during a visit to a German unit serving in the NATO peace force in Bosnia.

ASIA/PACIFIC

Burmese Military Weighs Fate of 18 Foreign Activists

By Keith Richburg
Washington Post Service

BANGKOK — Eighteen foreigners, including four students from American University in Washington, remained in detention in Burma on Monday as the military junta in Rangoon weighs whether to formally charge them for handing out leaflets commemorating the date of the regime's bloody crackdown on a student-led pro-democracy uprising a decade ago.

A spokesman in Rangoon said the 18 activists were detained Sunday after handing out thousands of tiny red pamphlets, about the size of the palm of a hand, with the numbers "8888," for the date, Aug. 8, 1988, when troops opened fire on student protesters.

Testers in Burma, launching a crackdown that eventually killed thousands. The leaflets also read: "Don't Forget — Don't Give Up."

The junta has been extremely jittery in the weeks leading up to the 10th anniversary, and has been clamping down on the National League for Democracy and restricting the movements of the party's leader, Daw Aung San Suu Kyi.

The activists, who went to Burma on tourist visas Friday, were members of a group called Alsean, for Alternative ASEAN Network. ASEAN is the Association of South East Asian Nations, which last year admitted Burma as its ninth member over vehement objections of human rights groups and others critical of the regime's widespread suppression of political dissent.

Six of the 18 arrested are Americans, one is Australian, and the rest are from Thailand, Indonesia, Malaysia and the Philippines. The four American University students apparently became interested in the cause of Burma's democracy movement after hearing Daw Aung San Suu Kyi's husband speak at the campus earlier this year.

The four AU students, all women, were identified as Nisha Marie Anand, 21, Anna-Jeanette Hamilton, 20, Michele Keegan, 19, and Sapna Chhatarpaul, 20. The other detained Americans were identified as Tyler Gianni, a 28-year-old lawyer, and Joel Greer, a 34-year-old Yale law student.

Few other details were available, and representatives of the activist group here in Bangkok were concerned that some students

had not informed their families of their plans to travel to Burma.

By nightfall, officials of the U.S. Embassy had still been prohibited from visiting the detained activists, despite repeated requests.

The government spokesman in Rangoon told reporters Monday that no decision had been made on whether, or when, the activists would be charged. "At the moment, I can't say the extent of legal action that will be taken against them," the spokesman was quoted saying.

Burmese authorities also searched the hotel rooms of the students and found what a statement said was sedition material. It said the activists "were apprehended attempting to incite unrest" in Rangoon.

adding pressure to the yuan.

There is precious little connection between the two, said Dong Tao, an economist who follows China closely for Credit Suisse in Hong Kong. There is almost no overlap between Chinese and Japanese exports, and while Japan bought about 20 percent of China's exports last year, the bulk of its purchases were in low-end clothing that are not very sensitive to price changes.

Chinese leaders have adeptly used the falling yen to their advantage, raising concern about the Asia-wide effects of unstable currencies. The markets have interpreted such rumbling — inaccurately, economists say — as a sign that China would devalue the yuan.

"The Chinese are legitimately saying to the U.S. and Japan: You've got to straighten out the situation in Japan for the stability of Asia," said John Finkel, director of China research at Merrill Lynch & Co. in Hong Kong. "They're saying: You want us to open our markets? Well only when the overall picture is calmer."

A Second Case Of Poisoning Stumps Japan

By Stephanie Strom
New York Times Service

TOKYO — Ten people in Niigata, a port city northwest of Tokyo, were hospitalized Monday after drinking tea and coffee made with water that appeared to have been poisoned, police said.

Police said the incident could be a copycat crime inspired by a similar poisoning on July 25 in Wakayama, southwest of Tokyo.

In that case, four people died after eating curry containing arsenic and possibly cyanide. The curry had been served at a local festival and sent dozens more to the hospital.

The victims in Niigata were among 13 workers at the local branch of Xyene Inc., a company that makes preserved lumber used in the construction business.

They made themselves tea or coffee after participating in morning exercises. Almost immediately, they were taken to three area hospitals with symptoms that included fainting, impaired vision, vomiting and numbness in the hands and feet.

Police suspect that a community feast may have led to the poisoning. The victims included two community leaders, as well as a 10-year-old boy and a 16-year-old girl.

Tests found traces of arsenic in all three pots in which the curry was served.

Arsenic is commonly used in pesticides and for the extermination of rodents, although its use in Japan is prohibited.

Poisoning is not uncommon in Japan, a country where the ownership of guns is strictly limited.

misunderstands basic tenets of political and economic reality in China today.

"If Zhu Rongji allows a devaluation, his political career is over," said an investment banker in Shanghai, referring to the prime minister of China. "The political advantages of maintaining the currency far outweigh the temporary advantages of devaluation."

Naturally, there are some reasons for Beijing to devalue, like the need to spur exports at a time when the economy is weakening, when foreign investment is failing and when millions of urban workers are facing unemployment. Chinese exporters of steel and other products have started grumbling openly that it will be hard to pay employee salaries without company income.

But there are deeper reasons for Beijing not to devalue. China is in the midst of a wrenching shift from a state-run to a market-oriented economy, trying to sell off the bulk of its government-owned industries,

and about the last thing leaders in Beijing want is a further cause of disruption.

Making China's exports cheaper, many economists argue, is an inefficient way to strengthen its economy. In the long run, maintaining the currency makes economic sense by providing a stable environment for investment, foreign and domestic.

Seizing those imperatives from the beginning of Asia's economic crisis, China's leaders decided that they would maintain the yuan for the time being, and have said so repeatedly.

On Sunday, President Jiang Zemin reasserted that view strongly in a meeting with Foreign Minister Masahiko Komura of Japan.

What outsiders often overlook is that China's economy is not yet fully integrated with the rest of the world. China's currency is not freely convertible, so there is little immediate market pressure on the yuan.

Exports accounted for about 20 percent of gross domestic product last year, leaving the bulk of China's output domestic.

More important, Beijing's decision

making process is weighted heavily toward political concerns, not market sensitivity.

Although China's leaders face internal lobbying from exporters, they seem to stake far greater political capital on their promise not to devalue.

Even so, devaluation would not necessarily help China's exports, which actually grew 5 percent in the first half of this year.

Fred Hu, executive director of Asia economic research at Goldman, Sachs & Co. in Hong Kong, who predicts firmly that no devaluation will come for at least a year, argued that a change in China's currency would not solve its sluggish export growth, primarily a function of weakening demand in Southeast Asia, which will remain weak.

China's foreign debt is manageable, and even though its foreign exchange reserves of \$140 billion have begun to slip, they are among the most substantial in the world.

Perhaps most faulty in the recent market reasoning is the concern that a falling yen is

adding pressure to the yuan.

There is precious little connection between the two, said Dong Tao, an economist who follows China closely for Credit Suisse in Hong Kong. There is almost no overlap between Chinese and Japanese exports, and while Japan bought about 20 percent of China's exports last year, the bulk of its purchases were in low-end clothing that are not very sensitive to price changes.

Chinese leaders have adeptly used the falling yen to their advantage, raising concern about the Asia-wide effects of unstable currencies. The markets have interpreted such rumbling — inaccurately, economists say — as a sign that China would devalue the yuan.

"The Chinese are legitimately saying to the U.S. and Japan: You've got to straighten out the situation in Japan for the stability of Asia," said John Finkel, director of China research at Merrill Lynch & Co. in Hong Kong. "They're saying: You want us to open our markets? Well only when the overall picture is calmer."

Brunei Sultan Proclaims Heir to Throne

Compiled by Our Staff From Dispatches

BANDAR SERI BEGAWAN, Brunei

INTERNATIONAL

Inquiry in Tanzania Calls For Diplomatic Skills

By Jane Perlez
New York Times Service

DAR ES SALAAM, Tanzania — The Tanzanian police said Monday that they had detained "several" suspects in connection with the terrorist bombing of the U.S. Embassy here.

But senior Washington officials treated the announcement warily, and a team of FBI investigators who have arrived to examine evidence had not interviewed or seen the suspects.

The assistant secretary of state for African affairs, Susan Rice, cautioned that the detentions were part of a "routine roundup" of the kind that often occur in some African countries, and she suggested they should not be taken "too seriously."

The detentions were not significant enough to warrant mention by Madeleine Albright, the secretary of state, when she telephoned a senior embassy official in Dar es Salaam this afternoon to congratulate him on the hard work of his staff in the aftermath of the disaster.

The announcement of the detentions, made by the assistant police commissioner, Wilson Mwansusu, gave no details of who the suspects were, precisely how many were being held or where they were being detained.

A senior Clinton administration official said it was understood from the Tanzanian authorities that the

suspects were citizens of Sudan and Iraq currently in Tanzania.

Monday was a holiday in Tanzania and there were few officers at the central police station. Mr. Mwansusu said he would present further details Tuesday.

The vagueness of the statement, coupled with the apparent enthusiasm to show cooperation with the administration as it tries to solve the case of the dual bombings, suggested some of the difficulties Washington faces as it searches for evidence in the two African nations.

Both Kenya and Tanzania have underfunded police forces with little equipment or experience in complicated investigations.

U.S. law enforcement investigators are nevertheless anxious to develop a good relationship with the Tanzanian and Kenyan authorities and will show respect by chasing down every lead, a State Department official said.

At all costs, the official said, the FBI wants to avoid repeating the rocky relationship it had with Saudi Arabian authorities when it investigated attacks on two U.S. military installations in that country in 1995 and 1996.

A U.S. Embassy official went out of his way Monday to praise the Tanzanian police, noting that they had interviewed people prior to the arrival of American experts and "we're very appreciative of the cooperation."

Some of the efforts at teamwork have been evident in the past two days. FBI investigators visited the morgue at the Muhibili Hospital on Sunday where the bodies of the nine Tanzanians who died in the explosion were kept for inspection by the Americans.

One U.S. official said that the Tanzanian authorities were bending over backwards to make sure that the Americans had full access to the bodies.

So far, the American side of the investigation has concentrated on combing the shattered embassy building and searching for evidence inside and out for traces of explosives and other material.

Tanzanian newspapers and officials have repeatedly stressed in recent days that the bombing at the embassy was most likely the work of a foreigner.

Tanzania prides itself on being a peaceful nation in a continent rife with civil war and tribal conflict, and the Tanzanians noted that it was "very unlikely" that any Tanzanians were responsible.

Tanzania has a higher percentage of Muslims than any other East African nation. In the last several years, a more militant form of Islam has taken over in some mosques.

In February, the police killed two people and arrested more than 120 others in the heavily Islamic district of Mwembe Chai in Dar es Salaam. The government closed the local mosque and then handed it over to a group of moderate Islamic elders.

ATTACKS: Searching the Rubble

Continued from Page 1

missing on Sunday, it had put the number at more than 30.

In a solemn military ceremony at Jomo Kenyatta Airport on Monday afternoon, American soldiers in camouflage uniforms loaded 11 flag-draped caskets onto a giant Galaxy cargo plane for the flight to Frankfurt and eventually the United States. The 12th American victim, Jean Daluz, was married to a Kenyan and will be buried here. There were no speeches, no sounds other than the distant murmur of aircraft and the American ambassador, Prudence Bushnell, paid tribute to her fallen colleagues with her bandaged hand over heart, and the soldiers saluted.

Back in central Nairobi, there was a glimmer of hope for a miracle, that a woman, who has become known as "Rose," might still be alive under the tons of twisted concrete and steel that was once Ufungo House, adjacent to the U.S. Embassy.

At midday, the Israeli and Kenyan rescue teams, which have been working around the clock since Saturday afternoon, stopped briefly when they thought they heard tapping. But they were soon back at work and with less caution, as the possibility of someone buried being killed by falling debris fell to almost zero. Thick dust filled the air as cranes and bulldozers tore away the 20-foot-high (6-meter) mound of rubble.

While the rescuers' work is almost over, the investigators are just beginning.

On the lawn of the shabby headquarters of the Kenya Railways Corporation, FBI agents raked the grass and combed through it on their hands and knees. It was hard to imagine what they could possibly find or be looking for. But it was obvious that the agents knew, from their experience investigating the bombing of the Federal Building in Oklahoma City and of Khobar Towers, an apartment complex housing Americans in Dhahran, Saudi Arabia.

"It is a slow, tedious process," said one FBI agent, standing among the rubble, as a huge tractor with front-loader hauled away twisted car body frames. "The tiniest bit of something can become a clue."

Embassy officials dismissed a report they had evidence that the vehicle carrying the explosives had been turned away when it tried to park in front of the building, and that it then headed around the back, where the explosion occurred. Another report circulating here Monday was that this vehicle had American diplomatic license plates.

A witness interviewed by The New York Times gave a detailed account of the moment just before the blast. Ochieng Okwach, a driver for the national parks service, was sitting in traffic less than 50 meters away when the bomb exploded.

Mr. Okwach, 42, said he saw a yellow pick-up truck with an enclosed cargo area turn around in a parking lot behind the embassy. The truck backed up toward an entrance ramp to an underground parking garage at an oblique angle, stopping about five meters from the gate, he said.

Then a man leaped from the back of the truck wearing a blue uniform identical to the ones worn by security personnel who guard the parking lot and the embassy's front entrance. The man who carried a black object the size of a walkie-talkie in his right hand, made a throwing motion toward the embassy, he said. A small explosion followed. Then the man ran back to the pick-up and jumped in the back.

A second later, the pick-up exploded in a fireball, Mr. Okwach said.

"I thought it was some robbers wanting to rob the bank," he said. "When I heard that blast, I said, 'Oh, God, it is the end of the world!'"

Mr. Okwach said he had not been interviewed by any American agents or the local police.

A sense of the difficulties and frustrations the investigators face was present in a conversation with two senior officers of the Cooperative Bank, which is next to the U.S. Embassy.

One of the men said he had heard gunfire and three blasts. The other man, wearing a gauze mask over his face because of the dust, disagreed with his colleague. It had been two blasts and no gunfire, he was certain.

The sound of glass being swept up marked the work in nearby shops Monday, as life in the capital turned largely back to normal. The streets were bustling with pedestrians and most shops were open.

But there was an undercurrent of tension and fear.



Courtesy Defense Dept.
FBI agents sifting through rubble Monday during the investigation of the embassy bomb attack in Nairobi.

More 'Fortress Embassies' for U.S.?

Some Buildings May Have to Be Relocated From Urban Areas

By Joseph Fitchett
International Herald Tribune

PARIS — The U.S. response to the terrorist bombings in Africa will include a multibillion-dollar program to bolster defenses for embassies and other government installations overseas, Clinton administration officials predicted Monday.

In some cases, embassies may have to be relocated away from central urban areas for greater security. The effort will focus on physical barriers making it impossible for buildings to be approached by explosive-filled vehicles of the sort used in the devastating attacks in Kenya and Tanzania and in past years against U.S. facilities in Lebanon and Saudi Arabia.

"We've already got fortresses in the Middle East and in Europe, so now we're going to have to look at similar measures in other places," a White House aide said, apparently meaning embassies in Africa, Asia and even Latin America.

In many capitals where U.S. embassies are located in densely built-up office neighborhoods, there is little room to obtain what planners call "a set-back" from the street, creating enough distance to provide protection from the blast of a truck bomb. That safety consideration could prompt the need to move or rebuild some facilities, officials said.

Even when space can be found and protected with obstacles to provide a buffer zone against truck bombs, a strong enough explosive load can wreak severe damage on buildings whose architecture is weaker than a military bunker, experts said.

Not all U.S. diplomats are in agreement with this approach, arguing that physical security can never provide full

protection and that there is a political cost in the form of isolation that hampers human contact. But a U.S. ambassador who had been seeking to improve access to some facilities he manages said that "there will be no political alternative to tightening up."

Politically, the United States might eventually find some consolation from the bombing, a Clinton aide said, "if there is a backlash in these countries in Africa and elsewhere that results in more support for U.S. efforts against terrorism — maybe some more votes in international organizations, maybe even greater cooperation by these governments with U.S. intelligence and police on the issue."

Shock at the scale of the carnage may be even stronger in Kenya and neighboring countries because sub-Saharan Africa, like Asia and Latin America, has been only marginally exposed to the attacks on airliners and embassies in recent years that were spawned by turbulence in the Middle East.

That terrorism, long concentrated against U.S. facilities in Europe and in Muslim countries, has spurred Washington to strengthen security at buildings there. This, in turn, has driven the terrorists to look elsewhere, officials said, even though they cautioned that they did not have any concrete leads about who carried out the attacks in Nairobi and Dar es Salaam.

But the embassies there were "soft-skinned targets," a Clinton aide said. By demonstrating their ability to reach them, "the terrorists have shown that globalization now applies to terrorism," the official said.

As a result, another official said, "there is going to be a sharp look at these new dimensions of the threat" in geographical terms followed by moves to bolster physical security at many of the

280 embassies and other diplomatic facilities operated by the United States around the world.

Defending her department's record in trying to upgrade security systematically in recent years, Secretary of State Madeleine Albright said on television Sunday that "we do not have the resources for it." Work had been due to start next January on a \$3 million program of improvements at the Nairobi embassy.

In the last 10 years, Congress has provided less than \$900 million of the nearly \$3 billion the State Department said was needed to meet the security standards set in the mid-1980s by a panel run by Bobby Ray Inman, a retired admiral and former deputy director of the CIA.

Now, officials said, Congress may be ready to move to increase spending on embassy security. "It's cyclical," an official said, explaining that urgency about such programs drains away when there is a lull in attacks.

That could add importance to recent comments by some leading members of Congress who have said that Mr. Clinton publicly admitted any wrongdoing in the case and offered a plausible explanation — such as that he lied to protect his family — they would be inclined to drop any effort at impeachment.

If the reports of a narrowly focused Starr report prove true, Mr. Clinton might be able to end the matter with a carefully presented public explanation.

But the president has consistently maintained that he did nothing wrong.

Mr. Clinton's aides say he has no plans to address the public, at least not

BRIEFLY

Algeria Troops Kill 27 Muslim Rebels

ALGIERS — Troops have killed 27 Muslim rebels, most of them in a forest in southwestern Algeria, in latest military operations, local newspapers said Monday.

Nineteen members of the Armed Islamic Group, Algeria's most radical guerrilla faction, were shot to death over the past few days in the forest near Taret, 220 kilometers (135 miles) southwest of Algiers, the daily L'Authentique said.

Eight Muslim guerrillas were killed during the weekend in military operations in the Bourguiba area, 40 kilometers east of Algiers, and Medea, 70 kilometers south of the capital, said La Nouvelle Republique. (Reuters)

Saudis Crack Down On Illegal Workers

RIYADH — Saudi Arabia expelled 106,000 illegal workers from the kingdom in the last three months, newspaper said Monday.

The expulsions follow a campaign started in October aiming to replace expatriate workers with Saudi nationals. About 750,000 illegal workers have already been expelled under the program, government statistics show.

Riyadh hopes to create 650,000 jobs for Saudi nationals under a five-year budget begun in 1995. Official estimates put the number of expatriate workers in the kingdom, who are mostly Asian nationals, at about a third of the 18 million-strong population.

ulation. The Saudi government in July stopped renewing work contracts for non-Saudi nationals employed in government offices, except for a few technical posts.

(AFP)

Nevis Islanders Vote To Decide Its Status

CHARLESTOWN, St. Kitts and Nevis — Residents of the tiny island of Nevis trickled into voting stations Monday to decide whether to make the Western Hemisphere's smallest nation even smaller.

Nevis, covering 36 square miles (93 square kilometers) and with a population of 10,000, is a two-mile (three-kilometer) ferry ride from St. Kitts, which has a population of about 35,000 on 68 square miles.

The two Leeward Islands have formed a single nation since gaining independence from Britain in 1983.

Vance Amory, prime minister of Nevis, said, "The people of Nevis want to be in control of their affairs. That is the issue at hand. There is no other issue." Mr. Amory argues that while Nevis contributes 38 percent of the nation's \$85 million budget, it receives only 21 percent. (Reuters)

For the Record

President Andres Pastrana of Colombia has named Fernando Tapia, a former army inspector-general and intelligence officer, as the new armed forces chief and has replaced the commanders of the army, navy and air force, forming a new military team.

(AP)

STARR: Likely to Spotlight Lewinsky

Continued from Page 1

most Americans, pollsters have reported, consider private.

At the same time, it could reflect confidence by some leading members of Congress who have said that Mr. Clinton can persuasively demonstrate that Mr. Clinton, despite his repeated denials, not only had a sexual relationship with Ms. Lewinsky but also asked her to lie about that relationship and thereby sought to obstruct justice.

That could add importance to recent comments by some leading members of Congress who have said that Mr. Clinton publicly admitted any wrongdoing in the case and offered a plausible explanation — such as that he lied to protect his family — they would be inclined to drop any effort at impeachment.

Plans for Mr. Clinton's testimony remain unchanged, however, White House officials say.

If Mr. Starr does send a report to Congress under the independent counsel statute, he must "advise the House Representatives of any substantial and credible evidence ... that may constitute grounds for an impeachment — it is generally expected to come by mid-September.

Anything later, political analysts say, would expose the report to attack by Democrats as being intended to affect the legislative elections in November.



Mr. Clinton walking Monday with an adviser, Doug Sosnik, to a corner.

JAPAN: Opposition Denounces Bank Plan

Continued from Page 1

As confrontation loomed, the yen traded lower, with the dollar briefly rising to 146.70 yen, near the 146.75 level hit in June, before falling back to 146.05 late in the day in New York.

After the yen's plunge in June, Washington and Tokyo jointly intervened to prop up the Japanese currency. Traders were again wary of intervention Monday. But many predicted that Washington might be more reluctant to act this time because Japan still has not taken steps to force banks to get rid of more than \$600 billion in bad loans.

Japan's central bank could intervene on its own to prop up the yen. "But if Japan went it alone, that would make a strong statement that the U.S. was not with Japan, which in itself would be a negative," said Alan Marantz, managing director of Lehman Brothers Asia.

In addition, said Peter Churchouse, a Hong Kong-based strategist with Morgan Stanley, "a weak yen and a weak

Japanese economy raises the risk that the Chinese will go back on their commitment to maintain the current exchange rate" of the yuan.

A key element of Mr. Obuchi's plan to get Japan back on the path to economic recovery had been the Liberal Democrats' banking reform measures. The party had called a special session of Parliament to try to pass these bills.

The plan calls for the creation of "bridge banks" that would take over the operations of troubled banks for up to five years. Apparently the bridge banks would continue to lend to many of the current banks' risky customers. Democratic Party officials say that the plan is designed to shelter the banking and construction industries and that swifter, more aggressive action must be taken to clean up the problem of bad debts.

The Democratic Party has come up with a plan calling for the immediate nationalization of troubled banks. The banks' managers would be replaced by outsiders who would restructure and then privatize the banks by March 2001.

Analyses of weather records made over the last century by the National Climatic Data Center have found that extremely heavy rainstorms have become more common. For example, single rainfalls on the order of 8 and 9 inches (20 and 23 centimeters) this summer delayed the Boston area, the Ohio Valley and south-central Tennessee.

TUESDAY, AUGUST 11, 1998

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

No Quick Fix in Asia

More than a year has gone by since the collapse of Thailand's currency. Hopes that the turmoil would be contained to one or two countries, and would end soon, have long since been dashed. The problem is worse than it might have been because Japan waited too long to deal with the aftereffects of the collapse of its stock and real estate markets eight years ago.

However, Japan's new prime minister, Keizo Obuchi, hit all the right notes in his first major policy speech on Friday, promising economic deregulation, tax cuts, increased public spending and a program to rescue the country's banking system. But important details are still vague, and Mr. Obuchi was right to warn that it will take "a year or two" to get a Japanese recovery under way.

Healing sick banks is a necessity in virtually every Asian country. Having lent money to finance inflationary booms when Asia was growing faster than the rest of the world, the banks now find that their loans are backed by assets whose value has collapsed or, worse, were made to companies that had plenty of political influence but no real way of earning money to repay the loans.

In Japan, the problem is both larger and more solvable than in other Asian countries. There may be as much as \$1 trillion in bad debts on the books of Japanese banks, making that problem far greater, in proportion to the size of the economy, than the one that confronted American banks at the beginning of this decade. But, like the

United States, Japan is a wealthy country that can afford to clean up the mess if there is the political will. It appears that will is finally present.

China's problems provide another risk for the region. There is renewed speculation in financial markets that China's currency will be devalued despite the government's promises to hold the line. Chinese exports are being hurt by the weakness of the yen and other Asian currencies, particularly the South Korean won.

South Korea is winning export markets in products like steel and cement that China needs to export as it tries to reform its economy and shrink the bloated state-owned enterprises that employ most Chinese workers but lose large sums of money. It has kept those enterprises afloat, and its economy growing, through "loans" from state-owned banks, which as a result would be insolvent if reasonable accounting standards were applied.

China has enough foreign exchange to defend its currency, and its relatively closed financial system makes speculation against the currency difficult. But the Chinese leadership fears a slowdown in its economy, and it might decide within a year that it needs to devalue, even if that risks worsening the problem for other Asian countries.

Earlier in this decade, Asia's strength helped bring prosperity to the rest of the world. Now it appears that the world will have to deal with a weak Asia for some time to come.

—THE NEW YORK TIMES.

Hope for East Timor

President B. J. Habibie has apparently decided that with so many problems to deal with, he can live without the international harangue that Indonesia has received for its brutal occupation of the former Portuguese colony of East Timor.

Indonesian officials met with their Portuguese counterparts last week and pledged to seek an agreement on "wide-ranging autonomy" for the region, which Indonesia annexed in 1976. The proposal stops short of the referendum on independence that the East Timorese rightly demand. But East Timor activists believe that it is a significant step that could eventually lead to independence.

Indonesian officials said they might grant East Timor autonomy over everything but defense, foreign policy and some economic matters. They would let East Timor hold free elections open to all political parties. East Timorese activists believe that this could be a face-saving alternative to a referendum that would almost certainly produce an overwhelming vote for independence.

But if East Timor elects leaders who demand independence, the activists believe, Indonesia might be prepared to let the region go. That could depend on whether Indonesia itself becomes

—THE NEW YORK TIMES.

Americans Want Privacy

Just a few days after the House of Representatives passed language on the privacy of medical data — language that was criticized widely as weak and inadequate — an unrelated news item suggested just how widespread the concern about personal privacy in the age of has become in America. The Minnesota state supreme court upheld a state "right to privacy" that would allow an invasion-of-privacy lawsuit to go forward.

This makes Minnesota the 48th state to recognize some form of privacy right that would allow lawsuits for the unauthorized giving out of certain types of private information even if that information is true.

Invasion of privacy, of course, is an elastic category that can be stretched to cover all kinds of information deemed sensitive. (The Minnesota case, according to a New York Times account, involved nude photographs that a commercial photo-developing department allegedly circulated after informing the photos' owners that they had not been developed because of content.) Releasing such material may invade personal privacy in a different sense from divulging personal data about such sensitive matters as medical treatment and financial status.

The common denominator, though, is the violation of an expectation that certain material will be kept private.

—THE WASHINGTON POST.

In Indonesia, Political Reform Has to Come First

By Hilton L. Root

JAKARTA — Indonesia has secured more than \$50 billion in emergency loans and other assistance by convincing the international community that economic security must be established before the political system can be reformed. Yet this is the very assumption that caused economic collapse.

Before he was forced to resign in May amid riots and attacks on the ethnic Chinese minority, President Suharto was praised as an economic reformer. To gain greater access to foreign funds, he had undertaken tax reform, and trade and financial market liberalization, since the 1980s. Until then, a complex licensing regime determined access to the market, making investors dependent on political connections.

By depriving him of many of those powers, liberalization created economic interests that Mr. Suharto could not control. Those interests grew to resent his domination of the economy, and caused the erosion of his authority.

It began with grumbling about the president's take. By 1995, talk about Mr. Suharto's personal grip on the economy started to circulate, even among trusted advisers whose lips had been sealed earlier. Discontent among the elite nurtured the student movement that played a key role in his downfall.

A unified elite with military backing could easily have suppressed the fledgling student movement. However, as the president's authority began to disintegrate, important players in the military and among the technocrats who ran the economy defected.

The present government owes little to the people in the streets. Thus, there will be more conflict within the elite.

The problems of collusion, nepotism and corruption have only just begun to surface as politicians, bureaucrats and generals jockey to protect and even expand their empires. Many well-connected business groups are advocating economic nationalism to justify the return of protectionist policies.

Future political conflict will center on protecting the spoils of three decades of monopolies, privilege and corruption, not on extending economic opportu-

nities to Indonesia's poor, who now comprise close to half of the population of 200 million. Much of that conflict will be concentrated within the main political party, Golkar, which the Suharto clan will try to transform into a vehicle to protect their family's wealth.

On taking charge in 1967, President Suharto emphasized shared growth to deter Communist influence in Indonesia. In the 1980s, with communism eliminated and tight control over the military established, he increased his share of the national wealth, leaving only the crumbs for other members of his coalition, including the military. Liberalization reduced their once lucrative role as go-betweens and facilitators.

With democracy and all institutions of accountability crushed, Mr. Suharto

ers face such difficulties, but some respond more successfully than others.

Indonesia failed to respond to its economic challenge because its political system was frozen.

Indonesia failed to respond to its economic challenge because its political system was frozen.

The same unexpected circumstances that created catastrophe in Indonesia were prevalent throughout East Asia after the region's currency turmoil erupted in mid-1997. But Indonesia's banking sector, the most politicized in East Asia, is also the weakest. Political opportunism allowed two major abuses to develop in the banking system.

First, standards of accountability were ignored so that funds could be channeled to friends of the regime. Nonperforming loans to cronies of the Suharto regime, meaning those on which no interest is currently being paid, account for much of the \$84 billion in private sector foreign debt.

A list of bad debtors, leaked in 1994, revealed that eight of the top 22 borrowers at the state banks were behind on 40 percent of their loan repayments. Mr. Suharto's children and their associates were high on the list of delinquent borrowers.

Second, internal corruption within the banking system was tolerated. Loan supervisors typically would collect 10 or 15 percent of loan up front as a kickback. Projects to be financed were not chosen on their economic merits. Banks did not develop skill at assessing the risk of particular investments because such skills were unnecessary.

Mr. Suharto's handicapped successor, B. J. Habibie, took over as president in May. Twenty of 36 ministers of his cabinet served in Mr. Suharto's last administration. Many represent the same political interests that have blocked reform in the past. They have the most to lose from any future liberalization or tighter supervision of the banks.

The Golkar party is still controlled by the Suharto clan. Even the food distribution system is in the hands of one of his friends.

It is hardly surprising, then, that the "reforms" of Mr. Habibie's government lack credibility. While investors are shunning an Indonesia run by many

of the same individuals who have blocked change in the past, they are returning to Thailand and South Korea where elected governments with new faces are committed to reform. Political failure is why Indonesia's problems surpass those of its neighbors.

The collapse of Indonesia's economy is a clear example of how development assistance can postpone necessary domestic institutional and political reform. As a result, Indonesia is likely to end up resembling two strategic allies of the West during the Cold War, Pakistan and the Philippines.

They have the most reactionary social structures in their regions and the highest levels of debt to multilateral lenders. They also have feudal elites who rarely pay taxes and dominate the economy. Extreme inequality and endemic corruption flourish.

Having rich foreign friends bankroll a compliant political elite made beggars of both Pakistan and the Philippines. Being able to roll over existing debts helps both countries avoid reforming the system of public accountability. The resulting massive debt overhang reduces the development prospects of both nations, making it virtually impossible for their economies to recover.

Will Indonesia also become a perennial international beggar, rather than undergo fundamental political change? The IMF bailout implies that the nation must bear the burden of debt to pay for the loot of its leaders.

Unable, then and now, to make its leaders accountable for effective governance, a country that could become a giant among nations is destined to become a cripple that can provide prosperity to only a small and privileged segment of its population. Is this the future Indonesia's friends have in mind?

The writer, author of "Small Countries, Big Lessons: Governance and the Rise of East Asia," is a senior fellow at the Milken Institute, a nonprofit think tank in Santa Monica, California. He contributed this comment to the International Herald Tribune.

A 'Third Way' Is in Vogue on Both Sides of the Atlantic

By E. J. Dionne Jr.

WASHINGTON — On both sides of the Atlantic, politicians and intellectuals are debating what sort of politics should replace the traditional liberal and social democratic doctrines of the left and the free-market ideas of the right.

The parties engaged in that quest are winning elections — in the United States, Britain, France, Italy, Portugal, the Netherlands and, if the polls hold up, Germany next month.

The new ideas, or at least the quest for them, are coming to be known as the politics of the "Third Way."

Just say those three words in this skeptical time and you run into a mountain of suspicion. The skeptics raise fair questions. They ask whether the Third Way is a set of real ideas or an advertising slogan. They want to know if it represents a serious effort to create new forms of progressive politics, or is instead a capitulation to the right, the final triumph of Ronald Reagan and Margaret Thatcher.

Ultimately, they ask whether the Third Way is simply a clever form of political repackaging that encapsulates approaches which helped Bill Clinton and Tony Blair to win elections.

Is it just a ploy to distinguish yourself from some terrible "them" (the far right, the old left, etc.) without having to define who "we" are?

Hold those thoughts for a moment, and consider the new ideas and strategies that are being exchanged.

They include how democratic governments can influence a global economy that increasingly ignores national boundaries and rules; how to redress economic inequalities created by this bold new capitalism;

how to equip individuals to keep up in a more competitive time; how to reconfigure social welfare programs constructed four to six decades ago; how to balance the dynamism of the market with the need to protect families and local communities from its inevitable disruptions.

You could look at the victories of this movement and say that at the moment of capitalism's high tide, voters are supporting parties that propose to put some limits on the free market and to offset some of the inequities it creates.

Or you could say that all these parties have made large accommodations to the market-place and entrepreneurial capitalism in the last half-century. Both statements are true.

Labour looks more socialist. Old Democrats more statist. Reaganism/Thatcherism more coherent and, perhaps, meaner than the reality.

"More importantly," Mr. Dahrendorf continued, "when you define yourself in others' terms, you allow them to determine your agenda."

If the Third Way is primarily a reaction to the old left and the new right, it might be seen more as a captive of past debates than as a guide to the future.

Nor is the Third Way even a novel phrase. Decades ago, the American journalist Marquis Childs described Swedish social democracy as embodying the Third Way between American capitalism and Soviet communism.

The new Third Way seems to lie somewhere between Sweden

and America, suggesting that the content of Third Wayism is relative, heavily determined by who sets the intellectual and political goals.

This is easily characterized as being the place equidistant between two points," concedes Sidney Blumenthal, the White House adviser who is the administration's leading advocate of Third Wayism.

But the current stream of Third Way thought does have some discernible characteristics. Anthony Giddens, director of the London School of Economics and one of Britain's leading social theorists, sees the Third Way as responding to a decline of traditional class politics.

With the rapid shrinking of the working class and the disappearance of the bipolar world," he wrote in another of the New Statesman's Third Way explorations, "the salience of class politics, as well as the traditional divisions of left and right, has diminished."

One should always be wary of predictions of the decline of class politics, if only because they are sometimes used by those at the top of the heap to deny inequalities. In the United States, Britain and much of the industrial world, class differences — in circumstances certainly, but even in voting patterns — have not disappeared.

But Mr. Giddens is right that the manual working class, the base of traditional parties of the left, is shrinking as a percentage of the work force and is being replaced by various kinds of service and white-collar workers.

As class loyalties have diminished, so have party loyalties. Most of the parties in the West are rooted in different

its leaders, Mr. Blair and Mr. Clinton notably, embrace the global market and free trade. The French Socialists, led by Prime Minister Lionel Jospin, are decidedly more skeptical.

The free traders argue that the key to "expanding the winners' circle" as Al From, president of the Democratic Leadership Council and a participant in Third Way conclaves likes to put it, is education and worker training. The risk is that Third Wayers come to be seen as people who think that every problem can be solved if you just throw schooling and job training at it.

Thus were Mr. Blair and Mr. Clinton obsessed with the quest for suburban voters whose political loyalties are fluid, whose move away from urban centers weakened their ties to the traditional institutions of their parents, and who are influenced by mass media and their own search for information.

Mr. Giddens also distinguishes between the old left's version of the mixed economy, which outside the United States included state ownership of industry, and the Third Way's acceptance of state intervention to help individuals within an economy that is privately owned and managed. (Here, aside from a few experiments in government ownership such as the Tennessee Valley Authority, America's Democrats were prematurely Third Way.)

And whereas the old left supported a cradle-to-grave welfare state, the Third Way center-left looks more to social investment, especially in education and worker training.

The Third Way is the fruit of the declining influence of socialism, and in particular Marxist ideology, especially after the end of the Cold War.

Intriguingly, both Mr. Clinton and Mr. Blair search backward for inspiration to a time that predates the rise of the Soviet Union — Mr. Clinton to America's turn-of-the-century Progressive Era, Mr. Blair to the reforming 1906 Liberal government, which ruled before his Labour movement achieved major party status.

The heart of the Third Way's quest and dilemma is how democratic governments are to deal with the global economy.

The simple fact is that the regulatory state championed by American liberals and European social democrats has great difficulty working its will in a global market.

Companies and private investment are footloose. Labor and environmental regulation is difficult to enforce across national boundaries. That, increasingly, will be true of tax laws, too.

In an essay on Third Way economics, Diane Coyle, economics editor of The Independent in London, notes that "although people are relatively immobile and most employees cannot avoid paying income tax, a growing share of transactions will take place on-line and will be either untrackable or easily disguised." She concludes: "It is not that governments are powerless, but rather that their old levers are irrelevant."

But what are the new levers?

She is one of the great divides within the Third Way. Many of the revision would not only make

crime, family policy, women's rights, and the need for new spending on education, health care, child care and training.

That Mr. Clinton managed to achieve this consensus helps explain why most Democrats have stuck with him through the Monica Lewinsky scandal.

As a House Democratic leader who is often critical of Mr. Clinton from the left said recently, "most in his party will support him as long as they can. They see him as the only figure who can make the party's case."

You could count that as the triumph of the Third Way. You could also see it as a measure of the price Mr. Clinton has paid for the scandal.

He was an inspiration for Mr. Blair's remake of the Labour Party. But Mr. Clinton, despite his successes, has been far less able than Mr. Blair to alter the tenor of the political debate. In Britain they talk about the Third Way. America talks about sex and perjury.

The Third Way is not universally loved by those to whom it is designed to appeal. "The fear," former Labor Secretary Robert Reich told *The Nation*, "is that Tony Blair and Bill Clinton, instead of charting a Third Way, will leave the progressive left in tatters and do little to rectify the social injustices experienced by modern capitalism." That fear could prove justified if the Third Way turns out to be merely a slogan.

But, judging by the behavior of progressive parties around the world, and by the defeats suffered by conservative parties, there are not many alternatives to the efforts of Third Wayers to accommodate and reform the free market at the same time. It is an idea whose time may have come simply because the other ideas don't work anymore.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1898: Kaiser's Visit**

PARIS — The results of the visit of the Emperor William of Germany to Palestine are

OPINION/LETTERS

Starr Is Out to Invent A Clinton Offense

By Elizabeth Holtzman

NEW YORK — As one of the authors of the original Independent Counsel Act, I never dreamed that a special prosecutor would be using his enormous powers to investigate accusations about a president's private (and legal) sexual conduct.

We acted against the background of the Watergate affair, which involved serious crimes, including an illegal break-in. The cover-up also involved serious crimes, including the paying of hush money to the burglar and the misuse of the CIA to block an FBI investigation.

We wanted to put a mechanism in place that would ensure a thorough and fair investigation in the event a president ever committed such acts in the future.

That is a far cry from what is being investigated in this case: accusations of lying in a civil deposition about a possible sexual relationship that was not even material to the case, and accusations of an agreement not to disclose the relationship in that proceeding.

Neither involves the illegal misuse of public power that was at the center of Watergate.

In Watergate, the special prosecutor was investigating a cover-up that, for the most part, had already taken place.



ship, he opens himself up to perjury charges for his testimony in the Paula Jones deposition, where he denied having had a relationship with Ms. Lewinsky.

Another danger of a confession is that it might strengthen the prosecutor's claim that Mr. Clinton obstructed justice, since there was a relationship there was something to cover up.

If he invoked the Fifth, it could easily, if unfairly, be portrayed as an admission of guilt and could permanently taint his presidency.

The president also cannot refuse to obey a subpoena to testify before the grand jury. He cannot place himself, as Richard Nixon tried to do, above the law. Plainly, Mr. Starr is maneuvering to take advantage of Mr. Clinton's inability to claim the Fifth and is coercing him into becoming a witness against himself.

Indeed, I cannot imagine any lawyer allowing a client

to testify under these circumstances.

But Mr. Starr should understand that the constraints on the president require restraint in the use of the prosecutor's power.

It is troubling to see how far the United States seems to have strayed from the lessons of Watergate. The office of the independent counsel was created to investigate abuses of office.

None of the evidence publicly available remotely suggests that any such defense is present here, and so Mr. Starr is on a mission to invent it by trapping the president in a grand jury proceeding.

The writer, a former member of Congress, practices law in New York City. She contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Leave Clinton Alone

Did or didn't President Bill Clinton have a fling with Monica Lewinsky? That utterly irrelevant question is rocking a country that professes to be the leader of the free world. It isn't just ridiculous and disgusting — it is frightening, at least from a European point of view.

The question should be irrelevant in a free world. If our private lives are no longer sacred, then what is? By paying attention to Mr. Clinton's sex life, the United States is quickly becoming a liability to the cause of freedom. What threatens Mr. Clinton today may threaten us all if the Kenneth Starrs of this world get the upper hand.

Michel Hegenauer
Wassenaar, Netherlands.

Regarding "Americans Won't Keep a Proven Liar" (Opinion, Aug. 3) by David S. Broder:

It is not President Clinton's hesitation to testify about the Lewinsky affair that has brought seven months of tawdry to America but the media's and some people's insatiable demand for salacious stories about the president.

And it is the so-called independent counsel's obsession to "get" the president, in order to please his Republican backers, that has caused this monumental folly to occur.

While Americans consider that no one is above the law, the president's effective handling of the economy and his ever-increasing popularity will spare him the fate of Richard Nixon.

Danny Padilla
Paris.

It is not President Clinton but Kenneth Starr and his team of prosecutors who owe a mea culpa to the American people.

Their "reshaping" of the presidency was implemented by unelected officials without public discussion, and calls into question the accountability of those who start asking questions at fault, not the one who chooses to dodge such impertinence by not telling the truth.

Arthur Schlesinger Jr. (Opinion, Aug. 3) put it clearly: "Many people seem to feel that questions no one has the right to ask do not call for truthful answers."

ity of the judicial branch of the U.S. government.

Because of the subtle but fundamental weakening of the presidency, and of the virtual elimination of privacy for the holder of that office, it will be harder than ever to attract the best and the brightest to serve as the highest elected official in the United States.

In trying to sully a Democratic president, Mr. Starr and his supporters have tarnished the presidency for all and perhaps forever.

C. DUFPEK
Kiel, Germany.

We should stop all of this bosh that thou business to the press and on television about President Clinton's sexual history. That should be the concern of his wife only, and apparently the delightful Mrs. Clinton long ago accepted the situation. She has done all she can to help her husband, and that has been plenty.

We Americans should let our president — the best one since I first voted, in 1932 — keep doing the fantastic job he has been doing. I am sorry now that I did not vote for him in the last two elections.

It is too bad he can't run again. If he could, I am sure he would be elected for a third time. It would be my first vote ever for a Democrat — and I would be so proud to give it to him.

JAMES E. WARRING
Herrliberg, Switzerland.

Since the allegations about President Clinton and Monica Lewinsky surfaced several months ago, I have heard politicians and commentators repeatedly lamenting the supposed damage this "sordid" story is inflicting on our children. As a mother of two, I am outraged by these comments. Presumably these people are not embarrassed to explain to their children the meaning of ethnic cleansing in Bosnia, terrorism in Ireland, starvation in Sudan and so on. But as soon as they hear the words "semeo" and "oral sex" they recoil in horror and embarrassment.

I have actually heard people say that Mr. Clinton is demeaning the office of the presidency because of his alleged sexual conduct. On the contrary, it is the silly politicians and commentators who are insulting our intelligence and demeaning us all.

HELENA ROSENBLATT
Rougemont, Switzerland.

Kenneth Starr is turning America, and the president, into the world's laughingstock. This could be branded a modern example of on-American activities. America's enemies are getting the answer to their prayers.

STANLEY PEIWELL
Milan.

Bookstore Chains

Regarding "Borders to Begin a New Chapter on Oxford Street" (Finance, Aug. 1):

Chain bookstores like Borders are hastening the destruction of local cultural life as they whisk us toward the monoculture of Tom Clancy novels and bad double latte.

Bookstores have not evolved into gathering places in recent years due to the efforts of chain stores, as the photo caption implied. Rather, independent book-

stores discovered decades ago that hosting readings, cafe evenings, political meetings and even theatrical performances could create and sustain a community, not just move inventory.

Many of these same independent bookstores are now fighting for survival as chain stores move into their neighborhoods to poach their customers.

Now that American cities have been coquered by chains, European and Asian cities won't be far behind.

ARI BIENOFF
Jerusalem.

stores discovered decades ago that hosting readings, cafe evenings, political meetings and even theatrical performances could create and sustain a community, not just move inventory.

Many of these same independent bookstores are now fighting for survival as chain stores move into their neighborhoods to poach their customers.

Now that American cities have been coquered by chains, European and Asian cities won't be far behind.

ARI BIENOFF
Jerusalem.

ARTS AND ANTIQUES

appears every Saturday.

For advertising rates, contact:

London:
+44 171 420 0326

Paris:
+33 1 41 43 92 70

New York:
+212 752 3890

THE WORLD'S DAILY NEWSPAPER

AIRPORT AUTHORITY

Sale of Ferries and Landing Craft

The Airport Authority has available for sale by tender, 13 ferries and one landing craft which have been used for transport during the construction of the Hong Kong International Airport at Chek Lap Kok. The Authority expects to invite tenders for the first ten vessels in the letter half of August 1998.

The names and seating capacity of the ferries are as follows:

1. Flying Fame	173	6. Flying Swift	173
2. Flying Sun	42	9. Flying Star	50
3. Flying Diamond	168	10. Flying Amber	250
4. Flying Comet (Landing Craft)	11	11. Flying Speed	124
5. Flying Moon	45	12. Flying Wings	124
6. Flying Emerald	293	13. Flying Jade	88
7. Flying Eagle	46	14. Flying Unicorn	26

Parties who wish to purchase any of the above vessels (and who have not previously expressed interest in writing) should express their interest in writing stating the party's name, address, name of contact person with fax and telephone numbers, addressed to:

The Project Director
Airport Authority
8 Chun Yee Road
Hong Kong International Airport
Lantau, Hong Kong

Attention: Ms Stella Fok

Tel: (852) 2769 1180

Fax: (852) 2802 8231

Parties who express interest (and those who have previously expressed interest) will be sent details of the vessels and will be invited to inspect them and their relevant records and will be invited to submit a tender.

AIRPORT AUTHORITY HONG KONG

Americans' Literary Hit Parade: You Don't Really Want to Know

By Jonathan Yardley

WASHINGTON — From somewhere in cyberspace a desperate reader, hair so high on end it's "like a freight wig," prayed last week for an inquiry into the Modern Library's list of the 100 best English-language novels of the 20th century.

No, not the list compiled by its "board."

It took approximately 1.46 seconds to see that my correspondent, hair so magnificently on end, had if anything under-reacted. The vox pop list — Readers' 100 Best, as the Modern Library calls it — brings whole new universes of meaning to the word "bubbleheaded."

If this be democracy, what, pray tell, can we do to hire a monarch?

You think Barnum was wrong when he said, "There's a sucker born every minute"? You think Texas Guinan was fondling when she welcomed customers to her speakeasy with the acerbic greeting, "Hello, suckers?" You think Mencken was just being snooty as per usual when he said, "No one ever went broke underestimating the intelligence of the American people"?

If that's what you think — if you think vox pop is the distillation of wisdom, taste and common sense — then let me direct your attention to the Readers' 100 Best list. There you will find that, in their collective wisdom, the common readers of the United States have declared the best novel in English of the 20th century to be — are you sitting down? — "Atlas Shrugged," by Ayn Rand.

The rest of the Top 10, when last I looked, were as follows: "Dune," by Frank Herbert; "The Catcher in the Rye," by J.D. Salinger; "The Lord of the Rings," by J.R.R. Tolkien; "The Fountainhead," by Ayn Rand; "Ender's Game," by Orson Scott Card; "Stranger in a Strange Land," by Robert Heinlein; "The Stand," by Stephen King; "To Kill a Mockingbird," by Harper Lee, and "And Then There Were None" by Agatha Christie.

Enough. Let's say the last rites over these lists and ship them six feet under. Lists are bogwash, words I write full knowing that I have compiled more than my share and that the pearly gates surely will be closed against me as punishment. Lists remind us that people are sheep — why else would "Ulysses," numero uno on the first Modern Library list, now be a best-seller? — and that popular taste unerringly gravitates to the lowest common denominator.

So what else is new?

The Washington Post.

DO YOU LIVE IN THE U.K.?

• Subscribe and **SAVE** up to 53% off the cover price.

• Also available: **PAY MONTHLY** by easy, low cost, direct debit.

HAND DELIVERY IN CENTRAL & GREATER LONDON & PARTS OF THE SOUTH EAST.

A cosmopolitan, comprehensive and concise newspaper delivered every day to your home or office. In Central and Greater London and parts of South East England, the International Herald Tribune offers early morning hand delivery on the day of publication, Monday through Saturday. The result?

Unique coverage of the world you live in, brought to you as it changes — daily.

Postal subscriptions are available throughout the UK on the day after publication.

For more information about easy ordering and availability of hand delivery

CALL our Subscriber Customer Service Department:

TOLL FREE: 00800 4 448 7827 (00800 4 IHT SUBS)

or Fax +44-0171 249 34 17

E-mail: subs@iht.com — Internet: http://www.iht.com

PAYMENT BY MONTHLY DIRECT DEBIT

YES, I'd like to subscribe and have my bank account debited monthly by £17.

Please start my subscription and send me a bank form to arrange my payment.

PAYMENT BY CHECK OR CREDIT CARD

YES, I'd like to subscribe and pay for the following term:

12 months (+ 2 months free): £210

(Saving off cover price: 36%)

Special 2-month trial subscription: £22

(Saving off cover price: 53%)

My check is enclosed (payable to the IHT)

Please charge my:

Access Amex Diners

Eurocard MasterCard Visa

Credit card charges will be made in French Francs at current exchange rates.

Card No. _____ Exp. _____

Signature: _____

Please start delivery and send invoice.

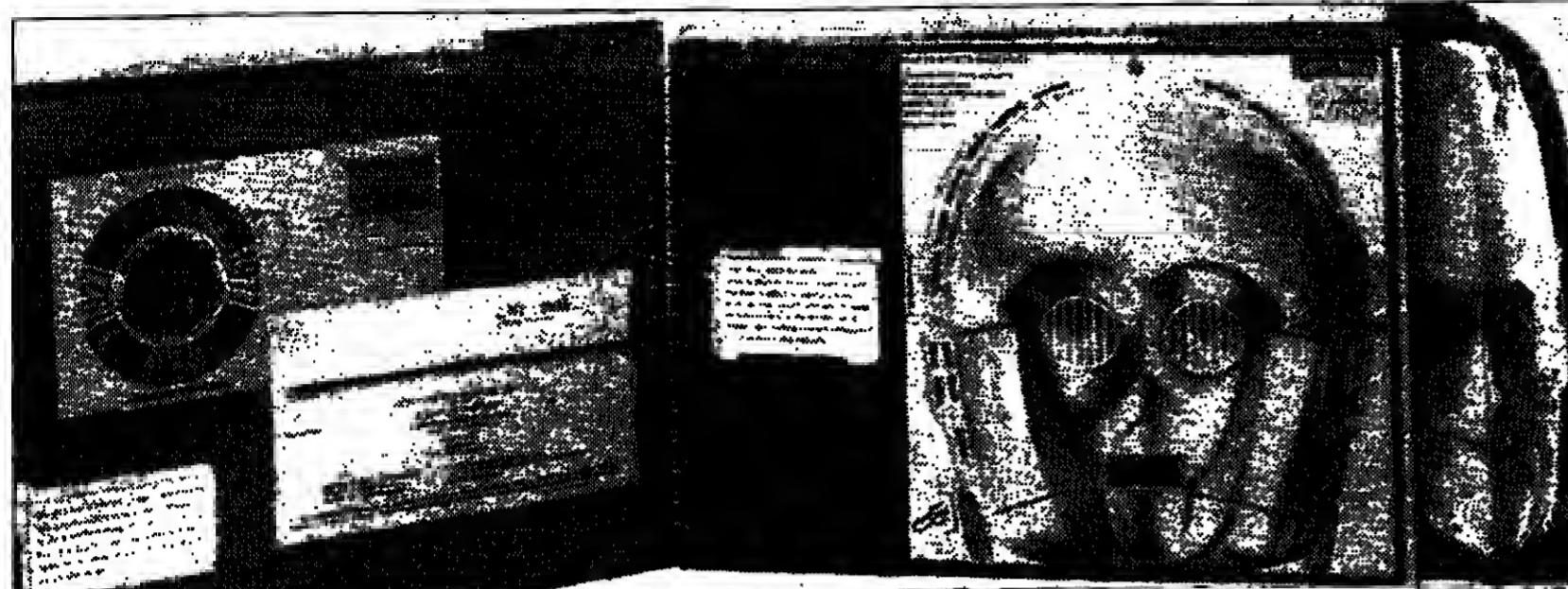
READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING

EUROPE, MIDDLE EAST & AFRICA

Style

TOMORROW
STAGE

'Star Wars'-Crazed Collectors Now Even Seek Out Copies



Pages from the "Star Wars Scrapbook: The Essential Collection," by Stephen Sansweet.

By James Barron
New York Times Service

NEW YORK — Hollywood-crazed collectors have long been willing to pay handsomely for original props like Dorothy's red shoes. But reproductions of collectibles?

Chronicle Books, a medium-sized San Francisco publishing house, is betting that there is a market out there for such items, and somewhat closer to earth than the Tatooine desert.

Chronicle has just issued "Star Wars Scrapbook: The Essential Collection," by Stephen Sansweet, a former reporter for The Wall Street Journal who is revered by other collectors for having one of the world's most extensive holdings of "Star Wars" memorabilia.

"Star Wars Scrapbook" (\$35) contains a newly printed reproduction of a ticket to a 1983 screening of "Return of the Jedi," the third film in the "Star

Wars" trilogy. The ticket slips out of an envelope that has been glued to a page in the scrapbook. There are also silver stickers that were given away in Japan and a C-3PO mask that was distributed in England.

Sansweet is unusual in an age when publishing houses want their authors on every talk show: Chronicle said he has prevented him from talking about "Star Wars Scrapbook," which ranges from Ralph McQuarrie's original poster ("The Star Wars") to Australian potato chips that came with Techm Tazos in each bag.

"You needed 50 different Tazos for a complete set," Sansweet writes, confessing to a chip-buying frenzy.

But "Star Wars Scrapbook" is not the only book that Chronicle is publishing. "Star Wars: The Art of Ralph McQuarrie" contains a monograph about the sketch artist who translated the producer George Lucas's ideas into the sketches that persuaded the board of

20th Century Fox to give the project the green light.

"I was like the people at Fox and other people working on the first film, of course," McQuarrie said. "They all felt we were into something that might not make money," adding that he, too, felt the film was so quirky that he would never see it on the screen.

"I'd love to be able to give you all sorts of lore about 'Star Wars' collecting," McQuarrie said, "but I don't have a 'Star Wars' collection. I haven't been what you'd call a fan, really. I just received a poster a fan wanted me to sign, and it was one I hadn't seen before. They don't tell me what they're going to do with the images I created."

How "Star Wars" spawned a cottage industry in collectibles is now something of a legend in Hollywood. Lucas was supposed to be working on the script. But, as Sansweet put it in his book, Lucas was procrastinating. And sipping coffee.

Instead of writing dialogue, he scribbled a note about an idea that had more to do with earthbound collectors than with his bizarre little universe of odd-looking aliens, robots with strange-sounding names and something as mysterious as "the force."

STAR WARS" is considered the first film with tie-ins that captivated collectors. Sansweet writes that the demand for "Star Wars" toys — now prized by collectors and worth as much as \$5,000 in original packaging — was so great during the 1977 Christmas season that the maker "decided to sell what even its president conceded were basically 'empty boxes' with a promise to deliver some small action figures within a few months."

But those items cost \$2 to \$3, double or triple the price of the first "Star Wars" collectible, a \$1 T-shirt with the prophetic inscription, "Star Wars Corporation Poster (NU). Only 1,000

were printed; they sold poorly then, but today they go for \$400 apiece.

So how hot is the market for "Star Wars" collectibles? Jason Joiner, a British collector who is listed in the Guinness Book of World Records for his 26,000-item "Star Wars" collection, says there are two categories: "old" collectibles, which were distributed when the films were first released, and "new" ones issued for the re-releases.

"The new market is booming," he said. "The old collectibles, which came out in '77, boomed until they launched the figures again. They've been in a bit of a slump."

Reproductions seem to be doing better. Peter Siegel, an owner of Gotta Have It, a Manhattan gallery, prizes one of Yoda, which sold for \$250 in the 1970s. In the 1980s a catalogue company sold reproductions of those originals for \$900. Siegel has a re-production.

"I've been offered as much as \$3,000

for it," he said. "It's not for sale." What collectors want most, real "Star Wars" props, are locked away in Lucasfilm warehouses. "I've never found an actual prop used in a 'Star Wars' movie that checked out to be real," Siegel said.

"There are reproductions out there. They sold reproduction copies of the X-wing fighter and light sabers. They display beautifully, they sell for \$300 to \$500 but they weren't in the movie. If you had an actual prop used in the movie, one of the actual light sabers, you could probably go to six figures."

But real props are out there. David Elkouby, a California collector, has one. Well, only a piece of one — C-3PO's backside. He will say only that it came from a collection in private hands.

"They worked on the film years and years ago," he said. "A lot of stuff was being thrown away, and they held onto that one piece."

BOOKS

TOO COOL
By Duff Brenna. 264 pages. \$22.95.
Nan A. Talese/Doubleday.

Reviewed by Richard Bernstein

WILLIAM BLAKE said that the road of excess leads to the palace of wisdom, and the mythologist Joseph Campbell, in a statement that Duff Brenna uses as an epigram to his new novel, said something similar.

Campbell wrote that "the high road to the soul's destination" leads through "dark and devous ways."

Such phrases have always made me wary, since they suggest a justification, not for the hard avil of experience but the soft marshes of self-indulgence. And when a novel takes off from such notions as the "soul's destination," I worry that we might be in store for a sentimental rhapsody, a redemptive fable.

Brenna's book is indeed about the road of excess, but there need be no worries about sentimentality here. His "Too Cool" is an unfaltering, unflinching, piercing look into a tormented youthful heart; it is finely modulated both in style and moral tone and provokes a hard-won sort of compassion at the end. Brenna's characters are teenage desperados living on the nasty edges of Earth. Their excesses involve things like stealing cars, smoking dope, beating bystanders and one another, having rough sex and hating their semi-absent parents.

The main character is Elbert Earl Evans, 16, known as Triple E, whom we first meet in a stolen Oldsmobile escaping into the wintry mountains of Colorado ahead of the police. With him are Jeanne Windriver, his 15-year-old girlfriend; a cousin named Ava; and a buddy named Tom. Triple E has escaped from reform school, where he has done something very bad; we don't know yet exactly what, but it had to do with an act of violence against the school psychologist, Renee Bridgewater.

"Ambition hooked him briefly, little daydreams about being like her," Brenna's narrator says of Triple E's complicated relationship with Mrs. Bridgewater. "But then he lost faith. Words coming from her mouth wandered over him empty as air, unable to do anything, unable to physically take hold and change anything."

The first few pages quickly demonstrate Brenna's keen ear for his characters' aggressive vernacular, the macho swirl of language that expresses the perverse intensity of their quest for individuality, and at the same time insulates them from its consequences, providing protection. They are bad kids, but not irredeemably bad.

Early on, Triple E leaves the car to rob an elderly woman carrying groceries, but he desists when she takes him for a neighbor's boy and begins talking to him with affection. The group drives into the mountains in a heavy snowstorm. The police close in, and Triple E turns the car into a narrow mountain road where, miles from anywhere and inundated by snow, they become hopelessly stuck. Brenna achieves passages of beauty as he describes Triple E's confrontation with the immensity of his predicament.

From here on, Brenna alternates between Triple E's efforts to save himself and Jeanne and a recollection of the events that led to this entrapment in snowy desolation. It would have been easy for Brenna to fall into a kind of stock treatment here: the father who tells him "You're not the son I wanted," the distant, alcoholic mother, the turn to crime and guns. But while those are the main elements in the picture, he writes with such terseness and pungency that we never feel as if we have seen exactly these things before.

At the heart of Triple E's recent life, and of Brenna's vision of a boy in trouble, is the unbridgeable divide between him and those who try to help him. As he recalls his days at the Goodpasture Correctional Facility, he remembers Mrs. Bridgewater's delusional notion that Triple E was a special sort of boy whom she would save with love and literature. She has read passages from a book called "Modern Man in Search of a Soul," but as he complies, his mind is occupied elsewhere. "Painted nail pointing at the book. Nail dark, like a drop of wine. He wanted her to put it in her mouth, suck the drop off."

And then there is Tozer Douglas, a teacher at the reform school who believes that boxing rather than literature is what will save the souls of wayward youths. "Life ain't fair," Tozer tells Mrs. Bridgewater. "Big deal. Be a man about it. Learn how to use it. I'm teaching him how to use it."

Tozer and Mrs. Bridgewater are like the priest and the pharmacist talking in "Madame Bovary," each arguing a point of view, both claiming to understand Emma Bovary's anguish, and each revealing his own solipsistic blindness. Each wants to help but also uses Triple E to satisfy a private ambition. After nearly falling under their sway, he spectacularly rebels (his rebellion against Tozer providing an unforgettable passage). We simultaneously cringe at his self-destructiveness and applaud his spirit.

As Triple E's struggles to find a way for him and Jeanne to survive, his memories come in near-hallucinatory form. The idea here is for the boy-man to face the explosive rage, the death wish, the primitive urgencies and the craving for love that brought him face to face with death.

What especially characterizes "Too Cool" is not just compassion but the honed intelligence of a skilled writer who has brilliantly evoked the airtight, impenetrable inner logic of youth determined at all cost to find its own way.

New York Times Service

CHESS

By Robert Byrne

In a close-fought struggle in the final round of the United States Cadet Championships, Dmitry Schneider, the eventual co-winner, defeated Jordy Mont-Reynaud, 14.

Black's 4...g6 is the introduction to the Accelerated Dragon, in which he develops without stopping for a move of the d7 pawn. His hope is to advance it in one move to d5. White can stop that by resorting to the Maroczy bind with 5 c4, but not everyone likes to enter into the

slow-paced maneuvering that follows from that.

After 21...Rc4? 22 Nd3 Ne3 23 Rfe1 Nf5 24 b3! Rh4 25 Ne5!, he could not play 25...Bh7? because 26 g3 Rh6 27 Ng4 Rh3 28 Kg2 Rf5 29 Nf6 wins decisive material.

Accordingly, he had to save his rook with 25...g5 26 g3 Rh6, but after 27 Ne6, the white pieces had a grip on the position, whereas the black rooks were poorly placed.

On 26...Rd8 27 Ne6, Schneider drove in mercilessly with 31 Ne7!, one facet being that 31...Nc7? 32 Re7 Rb8 33 Rb7! Rb7 34 Bd5 Rbf7? 35 Rc7? is annihilating.

After 38 Rg5, the main threat of 39 Rg7 forced the gain of still another pawn. Mont-Reynaud gave up.

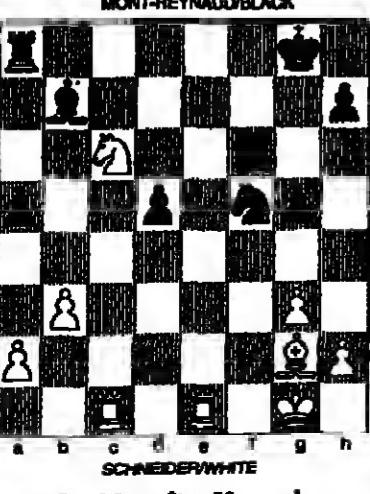
Against a counterattack on his center with 11...f6, Schneider played 12 e5 and queen's wing pawns by 14...Bd4 15 Qd4 Qb6, 16 Qb6 (besides 17...Qd4, both 17...Rf4 and 18...c5 were threatened) ab.

After 17 Qd2, Mont-Reynaud's first task should have been to eliminate his backward e6 pawn by 17...e5 18 fe Qe5. Instead, he chose to force the exchange of queens, but that did not improve his inferior pawn structure.

As for 20...Rg4, Mont-Reynaud's plan of removing the f4 pawn that was cramping his position appeared effective, but after 21 Nc5, he should have played 21...Ne5 22 Rfe1 Nc4 23 b3 Nb6 24 Ne6 Be6 25 Re6 Rg8, with only slight positional superiority for White.

SCILIAN DEFENSE

White	Black	White	Black
Schneider	M.-Reynaud	Schneider	M.-Reynaud
1. e4	c5	20. Rg1	Rf4
2. Nf3	Nc6	21. Ne5	Rc4
3. d4	cd	22. Nd3	Nc3
4. Nc3	g5	23. Rfe1	Nf5
5. Bc4	Bg7	24. b3	Rh4
6. Be2	Ng6	25. Ne5	g5
7. Bf2	g4	26. g3	Rh6
8. f4	g3	27. Ne6	
9. e5	Nf8	28. Rg2	a5
10. Bf3	c5	29. c4	Rb7
11. 0-0	b5	30. cd	
12. e6	bc	31. Ne7?	Kb7
13. Nc5	cd	32. Nc7	Rc7
14. Bg4	Nc6	33. Rb7	Rc6
15. Nc4	cd	34. Rb7?	Rc7?
16. Bf3	Qc8	35. Rb7	
17. Qd2	Qd4	36. Rb7	
18. Qd4	cd	37. Rb7	Kb7
19. Qd4	Nc4	38. Rb7	
20. Qd4	cd	39. Rb7	
21. Qd4	Nc4	40. Rb7	
22. Rfe1	Nc2	41. Rb7	
23. b3	Nc3	42. Resigns	



Position after 30...ed

He has developed a line for Pottery Barn — the first collection bearing a potter's name that the chain has stocked.

been used by many fashion houses in recent years: product lines at every price, for every sort of customer.

There is Jonathan Adler Couture, which this season consists of hand-thrown porcelain pieces embellished with bold geometric relief patterns.

Then there is a line he calls Pot au Porter — less expensive items in hip '70s colors, and bright, colorful pieces.

And just as Ralph Lauren formed Lauren, a line of inexpensive sportswear, Adler has just developed a line for Pottery Barn — the first collection bearing a potter's name that the chain has stocked.

In a move that all designers seem to make, to feel that they have arrived, Adler is opening his own store this fall in SoHo, on Broome Street between Greene and Mercer Streets. Joint ventures are also part of his mix; he has developed a special pottery line for Todd Oldham's SoHo clothing store.

Given his college pottery teacher's discouraging words, it was never ascertained that Adler would make it so far. At

UCH personal preferences do not exclude fashion designers from connecting to his work. "I am in a major snappy phase in my collection," said Cynthia Rowley, referring to Adler's early striped pieces, which are still a staple of his collection. "So Jonathan's work could be the basis for a lot of fabrics maybe in my women's business."

THE AMERICAS

United Drops Bid to Buy Humana**Deal to Create Huge HMO Is Derailed by Plunge in Stock Price**

Compiled by Our Staff From Dispatches

MINNEAPOLIS — United HealthCare Corp.'s acquisition of Humana Inc., once valued at \$5.5 billion, has been derailed by a plunge in United's stock price, the companies announced Monday.

The companies said they had mutually agreed to scrap the deal because the value of United's stock dropped by \$2.9 billion just last week, capping a plunge that reduced the amount Humana shareholders would have received under terms of the stock swap to just \$3.1 billion.

United's stock value has dropped

by 43 percent, or \$5.4 billion, since the deal to combine the health maintenance organizations was announced in May.

Last Thursday, United announced it was taking a \$900 million reorganization charge, which dealt with job cuts, the sale of various businesses and the revelation that it was unprofitable in many of its HMO plans. The company's stock dropped by 28 percent in a single day.

United HealthCare fell \$2.975 on Monday to close at \$33.375, while Humana slipped 31.25 cents,

to \$18. United tried to purchase Humana to address ever-increasing competition and rising medical costs. The combined company would have been the largest publicly traded, for-profit health maintenance organization.

The transaction would have boosted United's health-plan membership to 10 million, putting it head-to-head with Aetna Inc. in a race to be the top U.S. health insurer ahead of the non-profit Kaiser Permanente Group.

The companies expected to save more than \$100 million a year by cutting costs from the physicians, hospitals, and medical-device makers they use.

Susan Busch, a United spokeswoman, said the merger collapsed because of "market conditions."

United on July 6 reported a loss of \$565 million, compared with net income of \$116 million a year ago.

While reporting the second-quarter loss, United said it also planned to cut back its Medicare plans and quit some commercial markets.

The extent of the company's troubles came as a surprise because analysts had viewed United as one of the most successful health-plan operators.

United and Humana, which were among the first health maintenance organizations to boost premiums as costs began rising faster than expected, had hoped to cut operating costs as much as 5 percent and medical costs as much as 1 percent.

Humana, which started in the 1960s as a nursing-home operator, was a pioneer in the U.S. health-care business.

(AP, Bloomberg)

Goldman Votes to Go Public

Bloomberg News

NEW YORK — Goldman Sachs Group LP's 190 partners voted Monday to sell shares to the public, more than tripling the value of their stakes in what would probably be the biggest stock sale ever by a financial company.

The 129-year-old firm's partners, who manage its investment banking, trading and research businesses, met Monday, and as

expected, voted "overwhelmingly" in favor of the share sale, Goldman said.

Goldman, the biggest and richest investment banking partnership, plans to file with the Securities and Exchange Commission by the end of September to sell about 10 percent of its shares. Once public, it is expected to have a market value of about \$30 billion.

Livent Sets Stage for Restating Results

Bloomberg News

TORONTO

Livent Inc. said Monday it expected to restate financial results since 1996 because of "serious irregularities" uncovered since a new management team led by the former Hollywood power broker Michael Ovitz took over in June to try to turn the company around.

The company is "moving as expeditiously as possible to complete a full investigation to determine the precise scope and nature of this activity," Mr. Furman, Livent's chairman and chief executive, said.

Livent shares fell 10 cents to 10.15 Canadian dollars (\$6.67) before trading in the stock was halted

to involve millions of dollars.

Livent said it probably would have to restate results from 1996, 1997 and the first quarter of 1998.

The problems were discovered last week by managers installed by Mr. Ovitz and Roy Furman, who took control of Livent in June to try

to turn the company around.

The company is "moving as expeditiously as possible to complete a full investigation to determine the precise scope and nature of this activity," Mr. Furman, Livent's chairman and chief executive, said.

Livent shares fell 10 cents to 10.15 Canadian dollars (\$6.67) before trading in the stock was halted

to involve millions of dollars.

Weekend Box Office

The Associated Press

LOS ANGELES — "Saving Private Ryan" dominated the U.S. box office over the weekend, with a gross of \$17.6 million.

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

1. Saving Private Ryan	(Paramount)	\$17.6 million
2. Smoke Eyes	(Paramount)	\$16.5 million
3. Hollowman: H2O	(Dimension Films)	\$16.0 million
4. ...Something About Mary	(Miramax/Century-Fox)	\$9.8 million
5. The Thin Red Line	(Miramax/Century-Fox)	\$8.1 million
6. Ever After	(Miramax/Century-Fox)	\$7.8 million
7. The Negotiator	(Warner Bros.)	\$6.4 million
8. The Mask of Zorro	(TriStar)	\$5.6 million
9. Armageddon	(Miramax/Patent)	\$5.2 million
10. Lethal Weapon 4	(Miramax/Century-Fox)	\$4.8 million

Source: The Hollywood Reporter

Compiled by Bloomberg, Reuters

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Stock Index tracks the U.S. dollar's value of 260 internationally investable stocks from 25 countries.

Compiled by

Unnerved by Asia, Russia Market Dips

Bloomberg News

MOSCOW — Russian stocks fell on Monday, with the benchmark index down more than 5 percent, as sliding Southeast Asian markets raised concern that investors might avoid other emerging markets like Russia.

Stocks fell amid concern that China might devalue its currency, the yuan, and spark a wave of currency devaluations in emerging markets worldwide as China's exports became cheaper.

The benchmark Russian Trading System index fell 1.6 percent to 126.01, the lowest level since May 23, 1996.

Investors are waiting to see if Russia fulfills promises to increase revenue by more than 100 billion (\$16 billion) rubles this year, a pledge it took to meet terms for \$22.6 billion in International Monetary Fund-led loans.

The IMF approved an initial \$4.8 billion loan in July and is scheduled to consider releasing about \$4.3 billion in September.

Russia's financing options narrowed Wednesday as soaring costs of borrowing forced it to cancel a debt auction for a third week, leaving it little choice but to rely on central bank reserves and state-owned Sberbank to meet its obligations.

Russia's Eurobond due in 2001 sank for a sixth day, with its yield

jumping 350 basis points to a record 23.644 percent. Domestic debt yields also climbed, with the 10-month bill yield gaining 4.48 percentage points to 9.9 percent.

The Russian government had planned to offer as much as 6 billion rubles in bonds at its auction Wednesday as it tried to cover \$3.3 billion rubles in debt maturing this week.

"It really is up to the central bank and Sberbank, which is effectively controlled by the government, to take that burden and roll over the debt," said Karen Gabotchian, an economist at ING Barings in London.

"Foreigners will withdraw from the market and dump bonds and domestic banks have financing problems."

The IMF called on Russia to narrow the budget deficit to 2.8 percent of gross domestic product next year from 5.6 percent this year.

Tax-increasing measures are expected to boost 1999 budget revenue to 13 percent of GDP, from 10.7 percent this year.

While the government has been cracking down on tax delinquents, including the nation's largest petroleum companies, and has approved new tax-raising measures, some investors fear revenue will not increase fast enough to ease Russia's debt-payment crisis.

British Airways Earnings Drop 34%

Compiled by Our Staff From Reuters

LONDON — British Airways PLC's profit in the fiscal first quarter dropped 34 percent from a year earlier, when results were lifted by a gain from the sale of shares in US Airways Group, a former partner.

Excluding that gain, British Airways said Monday that its profit rose 59 percent despite the effects of the Asian economic crisis and the strong pound.

British Airways recorded pretax profit of £145 million (\$236.3 million) for the three months ended June 30. The company earned £220 million in the corresponding period a year earlier, including a gain of £129 million from the US Airways share sale.

Revenue rose 3 percent to £2.29 billion.

But the company's shares fell on worries about unfilled seats, dropping 34 pence, to 557 pence.

Passenger loads averaged 70.9 percent — down 2.1 percentage points from a year earlier — as the strength of the pound made tickets more expensive for foreign travelers.

British Airways' chief executive, Bob Ayling, said the performance was strong amid the severe economic troubles in Asia and given the high value of the pound, which has hurt profits at most British multinational companies.

Mr. Ayling said the company had already taken to cut capacity in sluggish Asian markets, switching to areas where demand remained robust, such as North and South America.

British Airways said it got a break on its fuel bill, as oil prices hit their lowest levels in a decade.

Mr. Ayling hinted that the carrier was likely to buy more Boeing 777 jetliners, moving away from the larger 747 jumbo jets, as recession in

Asia crimps industry growth. "We are looking at our general pattern of investments and we want to buy the right aircraft for the future," Mr. Ayling said. "As markets deregulate, the 777 is an increasingly attractive aircraft."

He would not comment directly on a report in The Sunday Times of London that said British Airways was poised to buy as many as 34 777s, for a total of £2 billion. It is also weighing offers from Airbus Industrie and Boeing for an order of as many as 10 short-haul jets.

British Airways also took drastic action over the weekend to revive flagging sales in the British market, introducing a "summer sale" to lure vacationers. The sale offered more than 2 million seats to places like Paris for £69 and Cape Town for £299.

"We had 70,000 calls over the weekend," Mr. Ayling told BBC Radio. (Bloomberg, Reuters)

U.K. Gas Company Readies Restructuring

Reuters

LONDON — BOC Group PLC will unveil a major restructuring plan Tuesday, which industry sources said would include the loss of thousands of jobs at the maker of industrial gases.

The company, whose businesses and customers have been savaged by the strong pound and financial meltdown in Asia, is expected to cut the worst of the fallout from the strong pound and the Asian crisis.

These units "will definitely feel the pinch" in the restructuring, the spokesman for BOC's main union, the Amalgamated Engineering and Electrical Union, said.

at the time.

BOC is the biggest gases company in the Asia-Pacific region. The company's vacuum divisions, which supply equipment for the semiconductor industry, have suffered the worst of the fallout from the strong pound and the Asian crisis.

The company's vacuum division, which supplies equipment for the semiconductor industry, has suffered the worst of the fallout from the strong pound and the Asian crisis.

BOC shares rose nearly 1 percent in early trading but at the close were down 14 pence at 740.

German Inflation Rate at 7-Year Low

Agence France-Presse

WIESBADEN, Germany — Consumer prices in Germany continued to slow in July, with the rate of inflation reaching the lowest level in seven years, the Federal Statistics Office said on Monday.

The German cost-of-living index rose by 0.3 percent in July from June and was 0.9 percent higher than it was in July 1997, the Federal Statistics Office said.

The data represent a slowdown from June when Germany's cost-of-living index had risen by 1.2 percent from the previous year.

The annual rate in July is the lowest

it has been in the whole of Germany since 1991, the office said.

In the western part of the country, the consumer price index rose by 0.3 percent in July from June and was up 0.9 percent from a year earlier. Provisional figures published at the end of June had shown rises of 0.2 percent and 0.9 percent respectively.

That is the lowest annual rate of inflation in Western Germany since 1988.

In Eastern Germany, consumer prices slipped by 0.1 percent in July from June but were up 1.0 percent from a year earlier. Chief Executive Danny Rosenkrantz said of the restructuring

that it was needed a thorough global sales and cost review after the company announced a 17 percent drop in half-year pretax profit.

"If we do all of that, we will deliver a company with the chance to grow sales better off a lower cost base," Chief Executive Danny Rosenkrantz said of the restructuring

Reports that BOC would shed about 10 percent of its 38,000-strong work force follows a similar distress signal from Rover Group Ltd. The carmaker, which is owned by Bayerische Motoren Werke AG of Germany, said last month that it would be forced to cut 1,500 jobs in Britain. Rover also blamed the strong pound for its woes.

BOC shares rose nearly 1 percent in early trading but at the close were down 14 pence at 740.

2 German Benetton Wholesalers Fined

Agence France-Presse

BERLIN — Two of the seven German wholesalers for Benetton SpA, an Italian clothes maker, were fined a total 140,000 Deutsche marks (\$78,975) for telling retailers what prices to charge for Benetton clothing and accessories, the Federal Cartel Office said Monday.

The two wholesalers, in Dusseldorf and in Stuttgart, laid down "binding price guidelines" to some 400 independent retailers in Germany between 1993 and 1996, the German competition watch-

dog said. Under German law, manufacturers or importers are not allowed to decide what prices retailers can charge but can only advise retailers on prices. Books are an exception to this rule.

The cartel office is investigating whether Benetton itself might have been involved in the price-fixing, said Markus Lange, a cartel office spokesman.

The two wholesalers, in Dusseldorf and in Stuttgart, laid down "binding price guidelines" to some 400 independent retailers in Germany between 1993 and 1996, the German competition watch-

WORLD STOCK MARKETS

Monday, Aug. 10

Daily prices in local currencies.

Todays

High Low Close Prev.

Amsterdam

AXP Index: 1147.44

Previous: 1147.22

DAX: 7400.00

Previous: 7387.52

Frankfurt

DAX: 5474.52

Previous: 5484.85

Kuala Lumpur

Composite: 251.28

Previous: 248.43

London

FTSE 100: 3787.46

Previous: 3787.46

Paris

CAC 40: 2972.45

Previous: 2972.45

Stockholm

SIX: 1476.58

Previous: 1476.58

Athens

Composite: 264.57

Previous: 264.49

Bangkok

SET: 233.28

Previous: 233.28

Bombay

Sensex: 3040.35

Previous: 3039.35

Helsinki

HEX General Ind: 922.32

Previous: 912.95

Istanbul

National: 127.00

Previous: 127.00

Brussels

BEL 20: 3494.19

Previous: 3494.19

Copenhagen

Stock Index: 270.52

Previous: 270.52

London

FTSE 100: 3787.46

Previous: 3787.46

Tokyo

Nikkei: 17152.22

Previous: 17152.22

Istanbul

National: 127.00

Previous: 127.00

Paris

CAC 40: 2972.45

Previous: 2972.45

Milan

MIB: 2344.69

Previous: 2343.69

Stockholm

SIX: 1476.58

Previous: 1476.58

London

FTSE 100: 3787.46

Previous: 3787.46

Paris

CAC 40: 2972.45

Previous: 2972.45

Milan

MIB: 2344.69

Previous: 2343.69

Stockholm

SIX: 1476.58

Previous: 1476.58

London

FTSE 100: 3787.46

Previous: 3787.46

Paris

CAC 40: 2972.45

Previous: 2972.45

Milan

MIB: 2344.69

Previous: 2343.69

Stockholm

SIX: 1476.58

Previous: 1476.58

London

FTSE 100: 3787.46

Previous: 3787.46

Paris

CAC 40: 2972.45

Previous: 2972.45

Milan

MIB: 2344.69

Previous: 2343.69

Stockholm

SIX: 1476.58

Previous: 1476.58

London

FTSE 100: 3787.46

NYSE

Monday's 4 P.M. Close

The 2,600 most traded stocks of the day.

Nationwide prices not reflecting time zones elsewhere.

The Associated Press

12 Month
High Low Stock Div Yld PE 100% High Low/Last Clos

6-8-98

2294 214 AAR S 34 1.2 19 228 227 240 240 -1%

274 246 AABA 29 1.2 22 225 225 225 225 -1%

779 246 ACE Lm 26 1.9 9 123 202 202 202 +1%

1112 159 ACFC Op 23 1.2 22 225 225 225 225 -1%

1076 616 ACIA SC 98 1.2 16 126 192 192 192 -1%

15 175 ACIACAD1 26 1.2 14 147 175 175 175 -1%

1074 616 ACIA M 98 .9 12 125 174 174 174 -1%

355 355 ACF 26 1.2 12 125 125 125 125 -1%

202 224 AFLAC 26 1.2 12 125 125 125 125 -1%

2294 174 AGL Res 1.08 2.8 12 125 185 185 185 -1%

158 788 AGM Ex-E 4.25 2.8 12 125 185 185 185 -1%

174 788 AGM Ex-E 4.25 2.8 12 125 185 185 185 -1%

34 1294 AGM Seed 1.59 2.4 12 125 167 157 157 -1%

274 224 AMB Pr 81 1.2 12 125 167 157 157 -1%

2498 254 AMBL Re 1.79 8.7 12 125 219 219 219 -1%

1798 254 AMT 1.2 12 125 219 219 219 -1%

274 254 APT Sd 1.2 12 125 219 219 219 -1%

2624 145 ARM Prod 16 1.2 12 125 219 219 219 -1%

687 254 ART 1.2 12 125 219 219 219 -1%

274 254 ARTA 1.2 12 125 219 219 219 -1%

2074 154 ARTA DAP 20 1.2 12 125 219 219 219 -1%

2294 546 ARTM 1.2 12 125 219 219 219 -1%

4574 284 ARTM 1.2 12 125 219 219 219 -1%

1054 114 ARTM 1.2 12 125 219 219 219 -1%

3584 214 ARTS 1.2 12 125 219 219 219 -1%

2498 254 ARTV 1.2 12 125 219 219 219 -1%

2498 124 ASACorp 1.2 12 125 219 219 219 -1%

1798 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

321 21 ASACorp 1.2 12 125 219 219 219 -1%

1274 254 ASACorp 1.2 12 125 219 219 219 -1%

1112 254 ASACorp 1.2 12 125 219 219 219 -1%

1112 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

274 254 ASACorp 1.2 12 125 219 219 219 -1%

Indonesia To Give Up Control of Some Firms

Bloomberg News

JAKARTA — Indonesia will give up majority control of some companies, such as PT Semen Gresik, in order to fetch the highest possible price in its sale of state assets, an official at the State Enterprises Ministry said Monday.

"If we sold only 49 percent of a company and the management is still run by the government, foreign investors aren't going to trust it," said Sofyan Djajil, a spokesman for State Enterprises Minister Tamri Abeng. "If we insist on selling 49 percent or less, perhaps investors will pay only \$1 a share. But by just giving up 2 percent more that a military-affiliated futures firm defrauded them of up to 1 billion yuan (\$120 million)."

The sale of more than half of Gresik, a cement company that has already been partially privatized, will mark the first time the government has given up control of a state asset, a move that Mr. Sofyan acknowledged has sparked opposition.

In recent weeks, employees at some of Gresik's plants have protested the move amid fears of job losses when a foreign company moves in. Two units, PT Semen Padang and PT Semen Tonasa, have rejected the government's choice of Cemex SA of Mexico as a possible buyer.

Cemex has offered \$418.2 million for 51 percent of Gresik, and the government has said the bid is satisfactory.

Cemex intends to buy 35 percent of the shares from the government, and the remainder from minority shareholders. Other companies have until Aug. 19 to top Cemex's bid.

The International Monetary Fund has made privatizations one of the conditions of the \$49 billion international aid package for Indonesia, and the government hopes sales of stakes in 12 government companies will raise \$2.5 billion in coming years.

Gresik's shares fell 250 rupiah to 10,225 (79 cents) Monday.

Separately, Indonesia said it had delayed a plan to sell more shares in PT Telkom and PT Indosat because of the weak stock market.

"They've only been withdrawn from the queue," the state enterprises minister's spokesman said. "We'll sell them eventually," after the market improves.

In dollar terms, the benchmark Jakarta composite index has lost 56 percent of its value this year.



CHINA PROTEST — Two women being questioned by the police outside Communist Party headquarters in Beijing during a demonstration Monday by dozens of investors charging that a military-affiliated futures firm defrauded them of up to 1 billion yuan (\$120 million).

BOOKS: Paycheck May Be All That Glitters at Publisher

Continued from Page 9

publishing, a business that views books not as literary properties but as low-margin consumer products. Upstart rivals like Landoll's Inc. were gaining market share by keeping prices so low that Golden Books could not raise its own.

"I had to learn a totally new craft, and I think many of us did," Mr. Snyder said. "I think that caused the turnaround to be delayed."

But Mr. Snyder said he thought then, and still does, that the brand awareness of Golden Books set it apart from the competition.

In initial efforts to revive the company, Mr. Snyder spent aggressively. His competitors were stunned, for example, when he paid \$47.5 million last year for a new five-year license with Walt Disney Co., on whose characters and films Golden Books has been basing books since 1932. Not only was the price more than any company had previously paid for a licensing deal, but it came as the popularity of Disney's children's films like "Pocahontas" was falling short of previous hits.

But Mr. Snyder defended the arrangement, saying the company had never lost money on a Disney deal.

Mr. Snyder has also been criticized for bringing in top executives at salaries two to three times the average in the children's-book

industry, which he said was necessary to attract talented employees from more stable companies—even if they had no experience in Golden Books' end of the market. From Simon & Schuster, for example, he hired Willa Perlman, head of the children's division, to become his children's publisher at a salary that grew to \$400,000, plus bonus and options.

He also hired Robert Asahina, a Simon & Schuster editor, to head a new adult imprint that specializes in family and motherhood topics. Mr. Asahina was given a base salary of \$200,000 and the potential for an unusually high annual bonus of 200 percent of his salary.

So far, though, the adult imprint has stumbled. In one case, the author Judith Resnick was paid \$750,000 for a financial advice book for women titled "I've Been Rich and I've Been Poor and Rich Is Better." But because of distribution delays, the book was not yet in the stores when Ms. Resnick went on tour, and Mr. Snyder now describes the entire deal as "a mistake."

But none of Mr. Snyder's problems discouraged the Golden Books board, which voted last September

— with the company's stock already down 21 percent since his arrival and heading further south — to double his salary, to \$937,885.

Among other provisions in the pay raise, he also got a \$500,000 signing bonus for agreeing to ex-

tend a five-year contract to seven years. This, on top of an earlier guarantee of a pension of \$250,000 a year, payable even if he was dismissed. And Mr. Snyder had also received a generous stock option plan upon joining the company.

H. Brian Thompson, vice chairman of Qwest Communications International, who is a member of the Golden Books compensation committee, defended the pay package by saying Mr. Snyder had "performed stunningly to take a difficult situation and get things under way."

Explaining Mr. Snyder's pay package in the proxy statement, the compensation panel said he had "recruited an outstanding new senior management team." But, in effect, Mr. Snyder has been rewarded for revamping a management structure that he had fashioned.

Since last year, more than 30 executives and managers have been laid off or left the company — many of them people Mr. Snyder had hired, including Ms. Perlman. They have been replaced by a new core of executives with a very different view of its segment of the book business.

Mr. Snyder says his company's losses are not a reflection of high salaries or overhead costs. "The lack of success of this company is due strictly to the lack of sales," he said, predicting that they would begin to improve in the second half of the year.

Explaining Mr. Snyder's pay package in the proxy statement, the compensation panel said he had "recruited an outstanding new senior management team." But, in effect, Mr. Snyder has been rewarded for revamping a management structure that he had fashioned.

Since last year, more than 30 executives and managers have been laid off or left the company — many of them people Mr. Snyder had hired, including Ms. Perlman. They have been replaced by a new core of executives with a very different view of its segment of the book business.

Mr. Snyder says his company's losses are not a reflection of high salaries or overhead costs. "The lack of success of this company is due strictly to the lack of sales," he said, predicting that they would begin to improve in the second half of the year.

Yen's Slump Makes It Even More Popular Than Before

Bloomberg News

LONDON — The yen's slump to an eight-year low in recent weeks is making the Japanese currency more popular than ever with traders, as Japan's economic and political gyrations make for high-stakes trading. As a result, trading in dollar-yen is catching up with dollar-Denmark, typically the world's hottest currency pair in the \$1.5 trillion-a-day currency market.

The international currency brokerage company EBS, whose trading system is used by about 750 banks, said more than \$40 billion was traded in dollar-yen in June, almost double the \$22.5 billion traded in May. Dollar-mark trading was little changed at \$42.2 billion in June.

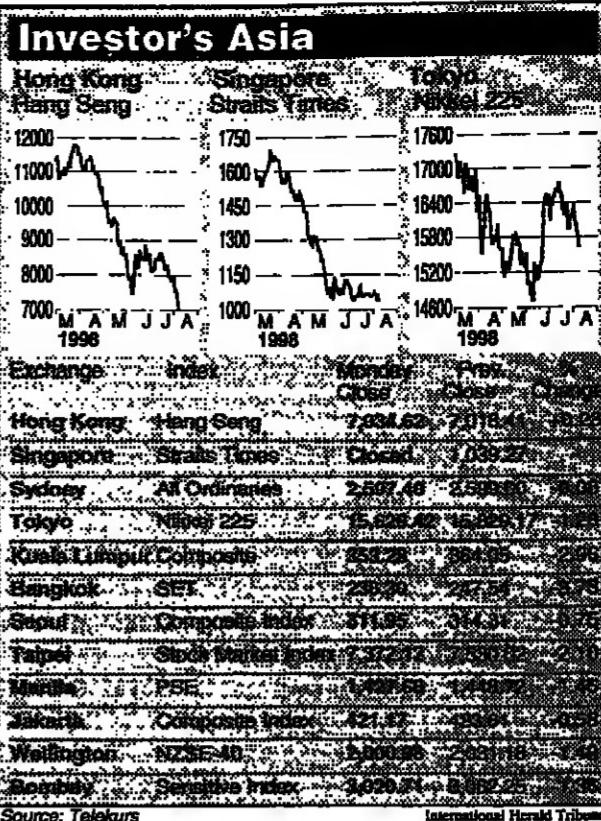
"Our clients are jumping onto this roller coaster in dollar-yen," said Roger Hynes, the marketing manager at the currency trading company Currency Management Corp. "They think there must be some mileage in it for them — some prospect of making money."

Dollar-yen sales at the company, whose clients are mainly retired traders or traders betting their own money, have risen 40 percent since May and now exceed dollar-mark sales, Mr. Hynes said.

The world's biggest banks are also profiting from the rising enthusiasm for dollar-yen. Citicorp said last month currency trading revenue rose 50 percent in the second quarter, and first-half earnings reports from Deutsche Bank AG and National Westminster PLC showed their trading profits soared by nearly as much.

Japan's economic collapse has hammered the yen. The dollar rose to 146.30 Monday afternoon in New York, edging close to the eight-year high of 146.78 yen that it reached June 16.

Prime Minister Ryutaro Hashimoto's failure to lead the economy out of recession prompted his resignation last month, after his ruling Liberal Democratic Party took a beating in an election. The party officials who have replaced him, however, have not come up with any new ideas to revive growth. And Moody's Investors Service Inc. is threatening to cut Japan's Aaa credit rating as Japanese banks struggle to cope with an estimated \$1 trillion in bad loans.



Source: Telekurs

International Herald Tribune

Very briefly:

- Mita Industrial Co., a maker of photocopiers, fax machines and laser printers, filed for protection under Japan's bankruptcy law with approximately 200 billion yen (\$1.38 billion) in debt.
- Taiwan's overseas shipments tumbled 16.3 percent to \$8.96 billion, in July from a year earlier, as Asian sales slid and regional competitors used weaker currencies to undercut the country's exporters. From June, exports fell 1.9 percent, unadjusted for seasonal variations.
- Telekom Malaysia Bhd.'s first-half profit fell 17 percent, to 736.9 million ringgit (\$176.5 million), from a year earlier, worse than expected, as borrowing costs surged because of the decline in the ringgit. Sales rose 1.8 percent, to 4.03 billion ringgit.
- Mercedes-Benz Group Indonesia has asked for a capital injection of \$1.5 million to \$30 million from its German parent company to keep operating amid the country's economic slump, the daily Bisnis Indonesia reported.
- Hong Kong's office vacancy rates are at their highest levels since the early 1980s and could hit a record high in the next 18 months, the South China Morning Post reported. Analysts expect vacancy rates to reach 20 percent by the end of 1999, just short of the 20.6 percent hit in the 1980s, as more properties come on to the market amid slumping demand.
- Vietnam is expected to award a deal worth \$207 million to Cable & Wireless PLC of Britain this week, sources close to the deal said. A license allowing Cable & Wireless to install 250,000 telephone lines in Hanoi had been approved by the government, a British Embassy source said.
- Daiba Bank Ltd. plans to sell off 100 billion yen in bad loans to foreign securities companies by the end of September.
- AmTec Inc., a telecommunications company focused on China, and United International Holdings Inc., a provider of multichannel television and related businesses, have agreed to combine their telecommunications business in China.
- Lucent Technologies Inc. has signed a deal with United Telecommunications Corp. of China to provide \$27 million worth of equipment for a mobile telephone network in northeast China.

AFP, Bloomberg, Reuters

BULGARIA: Privatization Plan Aims at Selling Nation's Weapons Factories

Continued from Page 9

Sony Life to Enter Philippines

Bloomberg News

TOKYO — Soyo Life Insurance Co., a wholly owned subsidiary of Sony Corp., said Monday it would sell insurance in the Philippines, making it the first Japanese insurer to compete elsewhere in Asia.

Sony Life will establish Sony Life Insurance (Philippines) Corp. in September and begin operations in 1999, targeting wealthy clients in that country.

Sony chose the Philippines as its first market in Asia because the country has few regulations prohibiting foreign companies from entering the \$1.2 billion insurance market.

"It's a chance for us to go into

a market where only 10 percent of people have life insurance," said Shigeru Nobeta, a Sony Life Insurance spokesman.

The move is another sign that cash-rich Sony is not hampered by the bad loans and failing yields that plague other life insurers, analysts said.

Many of Japan's top life insurers have watched their credit ratings plummet because of the seven-year decline in property and stock prices.

Sony Life is the only Japanese insurer that has enough money and energy to invest overseas now," said Nobuyasu Uemura of the Japan Rating and Investment Information Inc.

ADVERTISEMENT

THE NOMURA SECURITIES CO. LTD. (CDRs)

The undersigned announces that as from August 17, 1998 at Kansai-Airport N.V., Amsterdam, the company, no. 49 (accompanied by an "Affidavit" of the CDRs) The Nomura Securities Co. Ltd., Tokyo, Japan, is entitled to receive payment with Dfls. 11.72 per CDR, rep. 1,000 shs. (in per rec-rate 31.03.98, gross Yen 10,- p. sh.) after deduction of 15% income tax on 100 shs. (in Dfls. 2.00 per CDR, rep. 1,000 shs. Without an Affidavit 20% Japanese tax = Yen 200,- = Dfls. 2.75 per CDR, rep. 100 shs. Yen 2,000,- = Dfls. 2.50 per CDR, rep. 100 shs. will be paid. After 20.09.1998 the dividend will only be paid under deduction of 20% Japanese tax with Dfls. 11.03,-/1sh. 11.30 per CDR, rep. 100 and 1,000 shs. in accordance with the Japanese regulations.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, August 4, 1997

TELECOMMUNICATIONS

Financial Services

Real Estate for Rent

Escorts & Guides

SUPERMODELS

Belgravia

Orchids

Belgravia

Switzerland

High Society

International

Venus in Furs

Paris

Belgravia

Belgium-Luxembourg

Distinction

Florence

Holland

Paris

International Escorts Worldwide

Belgravia

Belgium-Luxembourg

كتاب ابن الأعرج

NASDAQ

NYSE

Monday's 4 P.M. Close

(Continued)

Herald Tribune

SPORTS

TUESDAY, AUGUST 11, 1998

WORLD ROUNDUP

Tests Find Drugs In TVM Team Haul

CYCLING Tests on the substances seized from the TVM team during the Tour de France have confirmed the presence of illegal drugs, a French prosecutor said Monday.

French police swooped on the TVM team's vans and hotel at Pamiers on July 23, confiscating various substances.

"There was caffeine found but also doping products," said Philippe Lamothe, the deputy public prosecutor in Reims. (AP)

Lithuania Coach Quits

BASKETBALL Jonas Kazlauskas resigned as coach of Lithuania's national team on Monday after the Olympic bronze medalists failed to make the final four at the world championships last week.

Lithuania, which has taken bronze in the last two Olympic Games, was eliminated from the championships in Athens by Russia in the quarterfinals.

In Belgrade, police reported that some 20 people were slightly injured and several shop windows and kiosks damaged during all-night celebrations after Yugoslavia beat Russia 64-62, Sunday, to win the world championships. Tens of thousands of fans fired their guns in the air, threw firecrackers, sang and danced or even played basketball late into the night in Belgrade.

Similar celebrations were reported all over the country. In Kosovo, the ethnic Albanian Kosovo Information Center reported that a 7-year-old child was injured, apparently by celebratory fire. (AP)

United Takes Aerial Route

SOCCER Manchester United of the English Premier League unveiled MUTV, its own television station on Monday. MUTV will go on the air beginning Sept. 1 on Sky, a British satellite network owned by Rupert Murdoch, for a monthly subscription of about £5 (\$8.20).

The channel will broadcast six hours every day from 6 P.M. local time to midnight. Programming will include live youth and reserve matches, features and news — but will not include live Premier League matches. A staff of about 50 has been recruited to work on the station. (AP)

Mayfair Wins Buick Open

GOLF Billy Mayfair shot a final-round 5-under-par 67 to finish at 17-under 271 and win the Buick Open in Grand Blanc, Michigan, by two strokes.

Scott Verplank shot a 64 to finish second at 273. Andrew Magee (64) was next at 274. Tiger Woods shot a 68 for 275, tied with former club pro Eric Bookner (66), who got into the tournament on a sponsor's exemption. (AP)

Bronco Out to Pasture

FOOTBALL Despite a personal plea from John Elway, the Denver Broncos quarterback, at a motorcycle rally in South Dakota last week, Gary Zimmerman, an offensive lineman, said he was sticking with his retirement plan.

"I'm not coming back," Zimmerman said. "I was serious this year. Nobody needs an old codger like me out there. I'd like to come back and help them out, but I just know it's not the best thing."

Zimmerman, 36, said he told Broncos coach Mike Shanahan of his decision Sunday night.

Zimmerman came out of retirement last season and went on to play on the winning Super Bowl team. He said he wanted to spend more time with his family. (AP)

12-Year Wait Finally Over As England Wins Series

Compiled by Our Staff From Despatches

LEEDS, England — England scored its first five-test series victory since 1986, bowing out South Africa to win the fifth and deciding test by 23 runs at Headingley on Monday.

South Africa, which needed to score 219 runs in its second innings to win the match, started the final day 38 runs short with two wickets remaining, but was dismissed for 195 in just 30 minutes Monday.

Darren Gough, playing on his home ground, took the last South African wicket to secure victory for England after seven overs of play. It gave Gough his best Test match figures of six wickets for 42. Angus Fraser took three for 50.

The estimated 6,000 spectators swarmed around the players to celebrate England's first home five-test series win since defeating Australia in 1985.

England came back from 0-1 down in the series after losing the second test at Lord's by 10 wickets to win the fourth and fifth tests and claim the series, 2-1.

It was the first time an England side had come from behind to take a series since David Gower's side won, 2-1, in India in 1984-85.

South Africa resumed at 185 for eight and added nine to its total in five overs before Allan Donald edged a slower ball from Fraser to the wicketkeeper and captain, Alec Stewart.

Gough ended the series when he dismissed the No. 11 South Africa batsman, Makhaya Ntini, trapping him leg before wicket.

Shaun Pollock, who had carried South Africa's hopes into the last day, was left unbeaten on 28.

It was Stewart's first series as captain since taking over from Mike Atherton at the start of the summer.

"South Africa are in the top three sides in the world and we weren't in that top three, and that made the victory all the more sweet," Stewart said. "We have shown in this series that we can compete with top sides like South Africa." He said England was now looking forward to the Ashes series in Australia this year.

The South African skipper, Hansie Cronje, said his side was on track to win



John Giles/Agence France Presse
England's Angus Fraser taking the wicket of South Africa's Allan Donald.

the series until the fourth day at Old Trafford.

"The pendulum swung their way and took a definite win away from us," he said. "We had high hopes after winning the second Test at Lord's and did our best at Old Trafford but we didn't get the wickets. Then things started to go wrong for us."

"The Old Trafford Test was an opportunity for us to go 2-0 in front," he added, "and we had another opportunity at Trent Bridge to get a big score

and put England under pressure."

Cronje paid tribute to Donald after what will probably be the paceman's last test match in England. "Allan put in a superhuman effort. Despite being in considerable pain at times with his ankle, he just kept running in and taking wickets when we needed them."

Donald, with 33 wickets (average 19.78), was South Africa's man-of-the-series, while Atherton, with 493 runs (average 54.77), won the honors for England. (AP, AFP)

Roma Coach Can Air Doping Allegations

Prosecutor Wants to Hear Views of Zeman

Compiled by Our Staff From Despatches

An Italian prosecutor has summoned the coach of AS Roma, Zdenek Zeman, to hear his allegations that players in the top Italian soccer league use performance-enhancing drugs.

Zeman, a Czech, will meet Wednesday with the prosecutor Raffaele Guariniello in Turin, a day after questioning in Rome by officials of the Italian Olympic Committee.

Guariniello has been investigating doping in sports for several years.

"I'm at everyone's disposal for the good of soccer," Zeman was quoted

division during the weekend.

Zejko Razmatovic, the Obilic owner, said Okuka was fired for refusing to play a weakened side and rest key players for the game in Munich.

Three Obilic players, Nezad Grozdic, Zivojin Juskić and Kuzman Babec, were injured in the goalless draw with Miniclar and will miss the Bayen clash.

Obilic has appointed Miroslav Osojic as Okuka's replacement.

"Okuka is no longer the coach because he would not accept advice to field the 'B' team," Razmatovic said.

Razmatovic, also known by his nickname "Arkan," was a Serbian paramilitary leader in the wars in Croatia and Bosnia-Herzegovina.

ARGENTINA Boca Juniors, Argentina's biggest club, began its quest for a first title in six years with a 4-2 victory away to Ferro Carril Oeste on the first weekend of the Apertura (Opening), the first of two championships played in the Argentine season.

River Plate and Velez Sarsfield, the two champions from last season, drew 1-1. Velez, reduced to 10 men when defender Raul Cardozo was sent off, equalized through Patricio Camps in the last minute after Jose Luis Chilavert, the Paraguayan World Cup goalkeeper, had made several stunning saves to prevent River increasing its lead.

BRAZIL Marcelinho Carioca, a player consistently overlooked by Brazil, took his Brazilian championship tally to six goals in four games by scoring twice as Corinthians won, 5-1, at Atletico Mineiro.

Corinthians, which narrowly escaped relegation last year, has won all four games so far. Santos moved into second place, with a 3-1 victory at Vitoria, where former Brazil and Valencia striker Viola scored twice.

GERMANY Clubs in the Bundesliga, Germany's top division, have already broken records for the coming season.

Over 284,000 season tickets — 31,000 more than last season's record — have been sold by the 18 clubs.

Last season the league drew more than 10 million spectators for the first time since it started in 1963. The average per match was \$2,375, up from \$2,267 the previous season.

(AP, Reuters, AFP)

Chasing the No. 1 Rank, Davenport Beats Pierce

The Associated Press

CARLSBAD, California — Lindsay Davenport continued her quiet climb toward the No. 1 ranking in women's tennis when she routed Mary Pierce, 6-3, 6-1, in the final of the \$450,000 Toshiba Classic.

It was Davenport's second consecutive tournament victory. Combined with Pierce's three-set victory over Martina Hingis, ranked No. 1 in the world, in the semifinals on Saturday, it pushed Davenport closer to the top spot.

Davenport gained 70 points on Hingis in the rankings, but still trails the Swiss teenager by 517 points. Hingis has 5,218 points, Davenport 4,724. Jana Novotna is third with 4,615.

"I really haven't thought about it because she's been so far ahead of everybody for a number of months," said Davenport, who trailed Hingis by nearly 3,000 points earlier this year.

Davenport, 22, won the Bank of the West Classic a week earlier, beating Venus Williams in the final. Williams was suffering with a leg injury in that match, just as Pierce was Sunday.

Pierce, who suffered a strained right thigh during a practice session before the final on Sunday, was no match for

Davenport, who played a steady baseline game and won in 52 minutes. "I knew it was going to be difficult from the beginning," Pierce said. "I tried to see what I could do with it, make the best out of it."

The unseeded Pierce played with a bandage around her thigh. She started well, but with the score at 4-3 in the first set, play was stopped for 18 minutes as a light rain fell. Pierce received treatment during the break, but after the resumption of play she struggled and won only one more game.

"The first couple games I didn't think anything was wrong because she was serving well," Davenport said. "But as the match went on, you could definitely tell that some part of her leg was bothering her and she wasn't really running for balls. It's unfortunate."

To overtake Hingis, Davenport must improve on her Grand Slam showings. She is still looking for her first major title after losing in the semifinals in three of the last four Grand Slams.

Davenport, who won \$79,000 for her singles title, also teamed with Natasha Zvereva of Belarus to win the doubles title, beating Natalie Tauziat and Alexandra Fusai of France, 6-2, 6-1, in the final.



John Grieshaber/AP Wire Photo
VIKING RAID — Ramos McDonald, 34, of the Minnesota Vikings, tackling Derrick Cullors, a New England punt returner, on Sunday. The visiting Vikings blanked the Patriots, 28-0, in an NFL preseason game.

Soft, if Imperfect, Landing for Manning

New York Times Service
Vantage Point / GEORGE WESLEY

his fingers for a fumble, he tossed an interception in traffic and he never produced another score.

To Peyton Manning's surprise, he was greeted more civilly than that.

"I had Sam Adams telling me his dad said to say hello," Manning recalled after his first engagement in the National Football League. The son of a former New Orleans lineman, Sam Adams Sr., was chatting with the son of the former New Orleans quarterback Archie Manning.

"Cortex Kennedy and I have a mutual friend, and we were discussing that," Manning continued. "Better than it could have been. I'm sure that's because it was a pre-season game."

He was right about that. The two grizzled Seattle defensive tackles could have threatened him with what they would do to him when they got their hands on him.

They did not need to issue any warnings. Peyton Manning knows. He watched his dad get tossed around the fields, real and ersatz, during his long and frustrating career, and now the son is also a professional, with the Indianapolis Colts. Peyton Manning made his debut Saturday night in the test-tube atmosphere of an exhibition loss, 24-21.

His first pass went for a 48-yard touchdown to Marvin Harrison, but Manning knew there would be tough times ahead, and they arrived almost immediately. He let a ball slither out of

right side to Harrison, who burst past Shaw Springs, the cornerback.

"They were in a zone blitz," Manning said. "Springs was trying to be aggressive, and Marvin put a good move on him."

Fred Thomas, the Seahawk defender, said there was more to it than that. He saw Manning pick up the blitz in an instant and react with the correct pass on his fifth professional play.

"He read the defense perfectly," Thomas said.

It went downhill from there, by all accounts. Manning said he made the right read on an interception but drew the ball badly. He said the fumble was a "freak thing" — the ball just slipped out of his fingers as he went back to pass. The statistics were all right — 8 of 15, 113 yards — but Moss said the first half "was pretty ugly out there," and Manning agreed.

"I expected that," Manning said. "I know pro ball is faster, more complex, better athletes, big-time players, but I'm not in awe of it. That just makes you better."

With Peyton Manning, it is more than the top draft choice and the money. The other players know all about him. This is not to say there will not be painful moments in the middle of a scrum, but in his first pro game, there was the definite sense of watching the first step in what could be called a career.

CROSSWORD

ACROSS

- 1 Droops
- 5 Hula-Hoops, lava lamps, etc.
- 9 Tooth trouble
- 14-kanat, golddust
- 18 Settled down
- 19 The Sorobone, o.s.
- 20 Basketball player's credo?
- 23 Free of charge
- 24 Blockhead
- 25 Fender work
- 26 Punjabi peeress
- 27 Confine
- 28 Basketball as a foot
- 29 Basketball player's credo?
- 30 Free of charge
- 31 Blockhead
- 32 Fender work
- 33 Water
- 34 Sacramento's Arco —
- 35 Soldier's credo?
- 36 Science fiction, for one
- 37 "Over the Rainbow" composer Harold Arlen
- 38 "Dragonwyck" author Sean O'Casey
- 39 Numb, as a foot
- 40 Wants
- 41 "Kill the —!" (ball park cry)
- 42 Name —
- 43 Name —
- 44 Name —
- 45 Name —
- 46 Name —
- 47 Name —
- 48 Name —
- 49 Name —
- 50 Name —
- 51 Name —
- 52 Name —
- 53 Name —
- 54 Name —
- 55 Name —
- 56 Name —
- 57 Name —
- 58 Name —
- 59 Name —
- 60 Name —
- 61 Name —
- 62 Name —
- 63 Name —
- 64 Name —
- 65 Name —
- 66 Name —
- 67 Name —
- 68 Name —
- 69 Name —
- 70 Name —
- 71 Name —
- 72 Name —
- 73 Name —
- 74 Name —
- 75 Name —
- 76 Name —
- 77 Name —
- 78 Name —
- 79 Name —
- 80 Name —
- 81 Name —
- 82 Name —
- 83 Name —
- 84 Name —
- 85 Name —
- 86 Name —
- 87 Name —
- 88 Name —
- 89 Name —
- 90 Name —
- 91 Name —
- 92 Name —
- 93 Name —
- 94 Name —
- 95 Name —
- 96 Name —
- 97 Name —
- 98 Name —
- 99 Name —
- 100 Name —
- 101 Name —
- 102 Name —
- 103 Name —
- 104 Name —
- 105 Name —
- 106 Name —
- 107 Name —
- 108 Name —
- 109 Name —
- 110 Name —
- 111 Name —
- 112 Name —
- 113 Name —
- 114 Name —
- 115 Name —
- 116 Name —
- 117 Name —
- 118 Name —
- 119 Name —
- 120 Name —
- 121 Name —
- 122 Name —
- 123 Name —

SPORTS

Another Yankee Comeback Whips Intimidated Royals

The Associated Press

It only seems like the New York Yankees pound everyone into submission.

Actually, they dismantle opponents piece by piece.

On Sunday, Bernie Williams capped a six-inning comeback with a game-tying sacrifice fly, then singled home the go-ahead run in the eighth.

AL ROUNDUP

As the Yankees beat Kansas City, 5-4, completing a four-game sweep.

It was the Yankees' 40th come-from-behind victory this season, their seventh when trailing by three or more runs.

"You wait for something magical to happen, and when it happens, it doesn't surprise you," said the manager, Joe Torre.

The Yankees outscored the Royals 41-9 in the series, completing a week in which New York won seven of eight.

"All of our pitchers, all of them, were intimidated," said the Kansas City manager, Tony Muser. "They didn't want to throw the ball down the middle of the plate no matter what the situation."

The Yankees (84-29) are 55 games over .500 for the first time since they finished the 1961 season at 109-53 and are on pace to break the record of 116 victories set by the 1906 Chicago

Cubs. They are 42-8 at home.

Mariners 6, Tigers 3 Alex Rodriguez hit his 35th homer, a tie-breaking three-run shot in the seventh, as Seattle finished its first-ever four-game sweep of Detroit.

Ken Griffey, the AL home run leader with 41, failed to homer for the ninth straight game as he went 1-for-5 with three strikeouts. Both made a spectacular leaping catch in center to rob Luis Gonzalez of a two-run homer.

Red Sox 14, Rangers 8 Mo Vaughn hit his 30th and 31st homers and drove in four runs as Boston completed an 8-4 road trip.

Vaughn had a solo homer in the fourth and a three-run shot in Boston's six-run fifth.

Twins 5, Orioles 4 Pat Meares went 3-for-4 with two runs batted in as Minnesota beat Baltimore for its first victory in eight games in August.

Angels 8, White Sox 6 Chuck Finley won for the first time since June 30, allowing only three hits in seven innings at Chicago.

Tim Salmon was 3-for-5 with three runs batted in for Anaheim.

Dodgers 2, Indians 1 John Flaherty's ninth-inning double drove in Quinton McCracken from first base as Tampa Bay beat visiting Cleveland.

Blue Jays 4, Athletics 3 Jose Cruz hit a two-run homer off in the eighth as Toronto rallied at home to beat Oakland.



Giants' Burks jumping in vain for Galarraga's homer.

Olerud Aims to Add NL Batting Title to AL

He'd Be the Second to Lead Both Leagues

By Jason Diamos
New York Times Service

DENVER — John Olerud had never heard of Ed Delahanty. Neither, for that matter, had the Mets manager, Joe Valentine.

For good reason. Delahanty concluded his major league career in 1903. But should Olerud win the National League batting title this season, he would join Delahanty in an exclusive club.

According to the Elias Sports Bureau, Delahanty, who led the National League in hitting with Philadelphia in 1899 (.410) and the American League with Washington in 1902 (.376), is the only person to win batting crowns in both leagues.

"I could be a household name like him," Olerud, who is known for having a dry sense of humor, joked after going 4 for 5 against the Colorado Rockies on Sunday.

When told that Delahanty had been elected to baseball's Hall of Fame (in 1945), Olerud said, "Well, that's good."

Even though Olerud increased his batting average to .352 Sunday afternoon and extended his hitting streak to 23 games, best in the National League this season, he said he did not think about batting championships. Joe DiMaggio's record 56-game streak or even the Hall of Fame.

The quiet first baseman comes into every season with just one goal: hitting .300. And, despite a lifetime .293 batting average coming into this year, Olerud has accomplished this goal only once in his 10-year major league career.

That was in 1993, when Olerud, playing for the Toronto Blue Jays, finished with the .400 mark into August, before settling for a .363 average to lead the American League. The next three seasons, Olerud slipped to .297, .291 and .274, as the Blue Jays tinkered with his swing in an attempt to get Olerud to pull the ball more.

"I was a mess," Olerud said. "So much so that the Blue Jays shipped Olerud to the Mets after the 1996 season for pitcher Robert Person. Last year, Olerud started off stroog, batting .356 in

April. But that did not keep the Toronto general manager, Gord Ash, from playing down the early success.

In a May 17, 1997, article in The Toronto Star, Ash was quoted as saying: "People in this league know how to work him. They're not at that point in the National League."

As the summer went along, Ash appeared to be correct. Olerud slumped in late June, hit just .196 in July and did not fully recover until September, when he finished off stroog to hit .294 for the year.

It appeared Olerud was in for a repeat performance this season. On June 5, he led the National League with a .372 average.

By June 30, Olerud was hitting .319 and had fallen out of the league's top 10. Ever since, however, Olerud's swing has evoked memories of the summer of 1993, when he could do no wrong.

Since July 1, Olerud has hit .411. In working with the Mets' hitting coach, Tom Robson, to refine his swing, Olerud has found the power that had eluded him earlier in the year, especially in the way he has been able to turn on inside fastballs, while not sacrificing his ability to hit balls where they are pitched.

Olerud's current 23-game hitting streak ties him for second on the Mets' career list with Cleon Jones and Mike Vail, and is one off Huhie Brooks's team record, set in 1984.

Olerud is doing everything right. Not that he blames Ash for trading him.

"I don't think it proves anybody wrong," Olerud said. "I didn't have real good years the last few years in Toronto. I understand why they were frustrated with the way I was playing."

Why, he was asked, has he all of a sudden found it right?

"I have an idea," Olerud said. "In '93, I thought I had things all figured out. The next year, I didn't have a had a year. But in '95, I really struggled, and in '96, I struggled again. So, no matter how well I'm doing, I'm not going to say I've figured it out. It comes and goes."

Robso added: "He's going to have another dip. It just depends when and how long. Hopefully it will be right after the playoffs."

Houston's Wagner Comes Back to Beat Philadelphia

The Associated Press

Billy Wagner pitched for the Astros for the first time since being struck in the head by a line drive, and Houston beat Philadelphia, 11-2, to complete a three-game sweep.

The incident on July 15 at Arizona left Wagner with a concussion and a cut ear. But after making two minor league appearances, the left-hander was ready only to rejoin the Astros, and they were ready only to glad to have him back.

Wagner's return Sunday capped a three-game set that began with Randy Johnson pitching a five-hit shutout in his home debut at the Astrodome for Houston on Friday.

Moises Alou drove in four runs Sunday for the Astros with a two-run home run and a two-run double, giving him 30 homers and 101 RBIs this season.

Cardinals 2, Cubs 1 in St. Louis, Mark

McGwire and Sammy Sosa were both kept in the ballpark, and John Mabry's pinch-hit homer helped the Cardinals sweep the three-game series.

Neither McGwire nor Sosa, who each homered on Saturday in St. Louis's 9-8 victory in 13 innings, got many pitches to hit. Sosa singled, walked three times and struck out to end the game with a runner at first. He tied Saturday's game with a two-run homer in the ninth.

McGwire struck out twice and walked twice, giving him 121 this season. He has 46 homers and Sosa 44 as they chase Roger Maris's single-season record of 61.

Mahay pinch-hit for starting pitcher Darren Oliver in the sixth and homered off Don Wengert.

Pirates 4, Red Sox 3 Leadoff hitter Fernando Vina revived Milwaukee's offense with a pair of hits and steals the Brewers rebounded from consecutive 17-0 and 4-0 shutouts in Cincinnati.

McGwire and Sosa were both kept in the ballpark, and John Mabry's pinch-hit homer helped the Cardinals sweep the three-game series.

The loss snapped an 11-game winning streak for Chan Ho Park (10-6) at Dodger Stadium, one short of the franchise record of 12 set by Orel Hershiser.

Braves 7, Giants 5 Atlanta's Dennis Martinez became the winningest Latin pitcher in baseball history when Chipper Jones hit a tie-breaking, two-run single in the ninth inning at San Francisco.

Martinez (3-4) pitched a perfect eighth to break Juan Marichal's record of 243 wins at the same park where Marichal started for the Giants.

Padres 6, Marlins 2 Bob Henley's two-run double keyed a five-run, two-out rally in the seventh as host Montreal won for the sixth time in seven games.

Brewers 4, Reds 3 Leadoff hitter Fernando Vina revived Milwaukee's offense with a pair of hits and steals the Brewers rebounded from consecutive 17-0 and 4-0 shutouts in Cincinnati.

A four-game losing streak by winning in Los Angeles.

The loss snapped an 11-game winning streak for Chan Ho Park (10-6) at Dodger Stadium, one short of the franchise record of 12 set by Orel Hershiser.

Braves 7, Giants 5 Atlanta's Dennis Martinez became the winningest Latin pitcher in baseball history when Chipper Jones hit a tie-breaking, two-run single in the ninth inning at San Francisco.

Kile allowed 10 hits. He was coming off the shortest outing of his career, 1 2/3 innings at Pittsburgh.

John Olerud went 4-for-5 and extended his hitting streak to 23 games for New York.

Padres 6, Diamondbacks 2 Bob Henley's two-run double keyed a five-run, two-out rally in the seventh as host Montreal won for the sixth time in seven games.

Brewers 4, Reds 3 Leadoff hitter Fernando Vina revived Milwaukee's offense with a pair of hits and steals the Brewers rebounded from consecutive 17-0 and 4-0 shutouts in Cincinnati.

A four-game losing streak by winning in Los Angeles.

The loss snapped an 11-game winning streak for Chan Ho Park (10-6) at Dodger Stadium, one short of the franchise record of 12 set by Orel Hershiser.

Braves 7, Giants 5 Atlanta's Dennis Martinez became the winningest Latin pitcher in baseball history when Chipper Jones hit a tie-breaking, two-run single in the ninth inning at San Francisco.

Kile allowed 10 hits. He was coming off the shortest outing of his career, 1 2/3 innings at Pittsburgh.

John Olerud went 4-for-5 and extended his hitting streak to 23 games for New York.

Padres 6, Diamondbacks 2 Bob Henley's two-run double keyed a five-run, two-out rally in the seventh as host Montreal won for the sixth time in seven games.

Brewers 4, Reds 3 Leadoff hitter Fernando Vina revived Milwaukee's offense with a pair of hits and steals the Brewers rebounded from consecutive 17-0 and 4-0 shutouts in Cincinnati.

A four-game losing streak by winning in Los Angeles.

The loss snapped an 11-game winning streak for Chan Ho Park (10-6) at Dodger Stadium, one short of the franchise record of 12 set by Orel Hershiser.

Braves 7, Giants 5 Atlanta's Dennis Martinez became the winningest Latin pitcher in baseball history when Chipper Jones hit a tie-breaking, two-run single in the ninth inning at San Francisco.

Kile allowed 10 hits. He was coming off the shortest outing of his career, 1 2/3 innings at Pittsburgh.

John Olerud went 4-for-5 and extended his hitting streak to 23 games for New York.

Padres 6, Diamondbacks 2 Bob Henley's two-run double keyed a five-run, two-out rally in the seventh as host Montreal won for the sixth time in seven games.

Brewers 4, Reds 3 Leadoff hitter Fernando Vina revived Milwaukee's offense with a pair of hits and steals the Brewers rebounded from consecutive 17-0 and 4-0 shutouts in Cincinnati.

A four-game losing streak by winning in Los Angeles.

The loss snapped an 11-game winning streak for Chan Ho Park (10-6) at Dodger Stadium, one short of the franchise record of 12 set by Orel Hershiser.

Braves 7, Giants 5 Atlanta's Dennis Martinez became the winningest Latin pitcher in baseball history when Chipper Jones hit a tie-breaking, two-run single in the ninth inning at San Francisco.

Kile allowed 10 hits. He was coming off the shortest outing of his career, 1 2/3 innings at Pittsburgh.

John Olerud went 4-for-5 and extended his hitting streak to 23 games for New York.

Padres 6, Diamondbacks 2 Bob Henley's two-run double keyed a five-run, two-out rally in the seventh as host Montreal won for the sixth time in seven games.

Brewers 4, Reds 3 Leadoff hitter Fernando Vina revived Milwaukee's offense with a pair of hits and steals the Brewers rebounded from consecutive 17-0 and 4-0 shutouts in Cincinnati.

A four-game losing streak by winning in Los Angeles.

The loss snapped an 11-game winning streak for Chan Ho Park (10-6) at Dodger Stadium, one short of the franchise record of 12 set by Orel Hershiser.

Braves 7, Giants 5 Atlanta's Dennis Martinez became the winningest Latin pitcher in baseball history when Chipper Jones hit a tie-breaking, two-run single in the ninth inning at San Francisco.

Kile allowed 10 hits. He was coming off the shortest outing of his career, 1 2/3 innings at Pittsburgh.

John Olerud went 4-for-5 and extended his hitting streak to 23 games for New York.

Padres 6, Diamondbacks 2 Bob Henley's two-run double keyed a five-run, two-out rally in the seventh as host Montreal won for the sixth time in seven games.

Brewers 4, Reds 3 Leadoff hitter Fernando Vina revived Milwaukee's offense with a pair of hits and steals the Brewers rebounded from consecutive 17-0 and 4-0 shutouts in Cincinnati.

A four-game losing streak by winning in Los Angeles.

The loss snapped an 11-game winning streak for Chan Ho Park (10-6) at Dodger Stadium, one short of the franchise record of 12 set by Orel Hershiser.

Braves 7, Giants 5 Atlanta's Dennis Martinez became the winningest Latin pitcher in baseball history when Chipper Jones hit a tie-breaking, two-run single in the ninth inning at San Francisco.

Kile allowed 10 hits. He was coming off the shortest outing of his career, 1 2/3 innings at Pittsburgh.

John Olerud went 4-for-5 and extended his hitting streak to 23 games for New York.

Padres 6, Diamondbacks 2 Bob Henley's two-run double keyed a five-run, two-out rally in the seventh as host Montreal won for the sixth time in seven games.

Brewers 4, Reds 3 Leadoff hitter Fernando Vina revived Milwaukee's offense with a pair of hits and steals the Brewers rebounded from consecutive 17-0 and 4-0 shutouts in Cincinnati.

A four-game losing streak by winning in Los Angeles.

The loss snapped an 11-game winning streak for Chan Ho Park (10-6) at Dodger Stadium, one short of the franchise record of 12 set by Orel Hershiser.

Braves 7, Giants 5 Atlanta's Dennis Martinez became the winningest Latin pitcher in baseball history when Chipper Jones hit a tie-breaking, two-run single in the ninth inning at San Francisco.

Kile allowed 10 hits. He was coming off the shortest outing of his career,

ART BUCHWALD

The \$50 Million Wish

MARATHA'S VINE-YARD, Massachusetts — It is now estimated that the Starr investigation has cost taxpayers \$50 million. Cost taxpayer Volani says that is not chopped liver.

Volani said that there were so many things you could buy for \$50 million — rather than spend it feeding a half-dozen grand jury rooms. A group of us were our fishing for smoked salmon, and we pressed Volani as to what he would rather spend \$50 million on.

He said, "Two tickets to a Celtics basketball game." Torgerson said, "I'd rather use the money to have lunch at the Four Seasons restaurant in New York."

Bergstrom was more practical. "You can still get an Armani suit for \$50 million and have money left over for a pair of Bally shoes."

I said, "If I had \$50 million I would fly first class on Con-



tinental Airlines, something I could never afford before."

Zion, who is the jokester of the group, said, "I'd buy \$50 million worth of Powerball lottery tickets."

Som said, "I'd use the money to hire a lawyer to defend myself against Linda Tripp."

Tribiter, who was at the helm of the boat, said, "If I had \$50 million, I would give it to my wife so she could afford to divorce me."

The consensus on the boat was that Starr required too much money to bring the country to its knees. Even when he got Monica Lewinsky to sing, the taxpayers didn't see that they were getting their money's worth. If Starr had gotten the goods on Clinton for a land deal in Whitewater, no one would complain about the bills.

But trying to pin a crime on the president for what he did behind closed doors of the White House is not worth more to the taxpayers than \$12.50.

On the Fringe in Edinburgh

Coupled by Our Staff From Dispatches

EDINBURGH — The 1998 Edinburgh Fringe, the alternative to the annual Edinburgh Festival, retained its Guinness Book of World Records status as the largest festival of arts when it opened Sunday for its 51st season.

With 16,141 performances of 1,309 shows by 9,810 artists, the Fringe is a cornucopia of arts both traditional and not so. Falling in the former category are the European premiere of Sam Shepard's play "Shaved Splits" and a tribute to the French 1960s balladeer Serge Gainsbourg by '90s rockers like P.J. Harvey.

Then there's the "mad musical mayhem" of "The Jolly Folly of Polly the Scottish Trolley Dolly." Just don't ask what it's about. The festival's organizers aren't sure themselves, though a spokesman said it had nothing to do with cloning.

The Fringe kicked off a week ahead of the 52d mainstream festival, which offers more traditional classical dance, opera, theater and music.

(NYT, AFP)

By Winnie Hu
New York Times Service

NEW YORK — As an international relations student at Stanford University in 1982, Brad Howe often roamed the library stacks for the idle book that would catch his interest. One day, he found a book that changed his future. It was about Alexander Calder's mobiles and, as he tells it, it inspired him to become a sculptor.

"They spoke so clearly to me that it made me want to respond," Howe said of the book's illustrations. "I wanted to drop everything and start making mobiles. I'm inspired by many artists today, but the door to the art world was opened by Alexander Calder."

Today, though, Howe and other mobile sculptors find themselves in the odd position of having their works challenged by Calder's estate. At its request, the San Francisco Museum of Modern Art plans to remove their mobiles from its gift shop during the major Calder exhibition to be held there from Sept. 4 through Dec. 1.

Two other museums, the Whitney Museum of American Art in New York and the Phillips Collection in Washington, have yanked mobiles from their shops permanently, out of awareness of the estate's concern that the public would not differentiate the objects from Calder's work. The Whitney opened its new Calder gallery, which features his famous "Circus," in March, and the Phillips currently has two Calder stabiles on loan from the artist's family.

"I find it offensive that the family of an artist would try to prevent other artists from having access to the public," Howe said.

Ralph Lerner, the lawyer for the estate, sees things differently. "These artists can go anywhere else," he said. "During the period of the show, they'd be trading on the reputation of Alexander Calder."

More fundamentally, though, the dispute raises the question of whether the sculptural form shaped by Calder has been so identified with him that those creating in his wake will forever be in the position of having their originality questioned. It also cuts in complicated ways at another issue: when a piece is similar in those of another artist that it infringes on a copyright.

While Howe and other artists freely acknowledge they have drawn from Calder's art, they say the end product is their own. Howe's mobiles, for instance, use lime-green and pink — shades not usually associated with Calder's use of colors like red, black and blue.

"Calder created a vocabulary in kinetic sculpture," said Howe, who lives in Los Angeles. "My goal is not to create Calder. My goal is to create kinetic sculpture that inspires."

The sentiment is one that gains a certain sympathy even at the museums that have sided with the Calder estate. "We are sympathetic in the artist who feels his work is being displaced," said Lori Fogarty, the San Francisco museum's deputy director for curatorial affairs. "But ultimately we were more sympathetic to the Calder family. When we are going to an artist's estate and asking to borrow 100 works and relying on their generosity, we feel very sympathetic."

PEOPLE

THE talk show host Jay Leno took a turn as a pro wrestler in an outdoor tag-team match staged at the Sturgis (South Dakota) Motorcycle Classic, where thousands of bikers on Harleys revved their engines to rally the big-chinned comedian. In a "sport" where competitors wear Day-Glo spandex, the "Tonight Show" host opted for a tattered T-shirt and sweatpants. He teamed up with Diamond Dallas Page against Hulk Hogan and Eric Bischoff in a pay-per-view event. Leno dropped Hogan early on. Clouds of motorcycle exhaust filled the air as fans goaded their throats to applaud Leno, who went on to stun Bischoff with a low blow before repeatedly ramming the wrestler's head into the ring's corner post as the crowd loudly counted each impact. Leno and Page "woo" thanks to the "Tonight Show" band leader, Kevin Eubanks, who was Leno's manager for the bout. He stepped in and used Page's trademark move, the Diamond Cutter, to immobilize Bischoff so the comic could pin him.

After playing one on television, the actress Candice Bergen may land a job as a real-life journalist on "60 Minutes," the CBS news program. Bergen's experience as a reporter for the fictitious "FYI" on the network's "Murphy Brown" may lead to a stint on CBS's actual award-winning show, according to Don Hewitt, executive producer of "60 Minutes." "Now that she is no longer doing 'Murphy Brown' it dawned on me that she may want to do a story or two for us," Hewitt said. "Once we make the determination that there is a story

worth her doing, we'll give her a chance to do it and we'll see how she does."

Prince Charles has summoned Tiggy Legge-Bourke, the

Miramax Magazine Names Editor

New York Times Service

NEW YORK — Tina Brown, who recently resigned as editor of The New Yorker, has chosen a long-time colleague to be executive editor of her monthly magazine at Miramax, which is due out in September 1999.

David Kuhn, 38, the features and special issues editor at The New Yorker, was appointed Friday as executive editor and vice president of the new magazine. He will also be vice president of Brown's and Ronald Galotti's new multimedia division within Miramax, which will include the magazine unit and units for books, television specials and feature films.

Before going to The New Yorker in June 1994, Kuhn spent two years developing film material as a production executive at Longview Entertainment, a company affiliated with Universal/MCA. Before that, he spent seven years as an editor at Vanity Fair, under Brown's leadership there.

former nanny of his two sons, to explain why Prince Harry was allowed to scale a dam headfirst without a helmet or other safety equipment, a London newspaper reported. The Daily Mail reported that Charles was "livid" after seeing a photograph in the News of the World tabloid that showed the 13-year-old prince being eased down the incline of a 160-foot dam without a helmet, mountaineering boots or backup safety rope. "He has lost track of the times he has made clear that William and Harry can't do whatever they want to do because they are not ordinary children," the Mail quoted an unidentified "close friend" of Prince Charles as saying. Prince William, 16, was also reported by the tabloid as having descended the wall without safety equipment. The Mirror observed: "People who endanger royal lives used to be hauled off to the Tower of London, via Traitor's Gate, pending a short walk to the executioner's block. Let's see some heads roll again."

Angela Bassett showed "How Stella Got Her Groove Back" without showing all. Playing an unhappy 40-year-old who hooks up with a 20-year-old hunk in a Caribbean paradise, Bassett refused to do any nude scenes in the new movie. "It's always the girl who takes her clothes off," Bassett says in Sunday's Daily News. "We're the objects. It's just not necessary." Bassett was nominated for an Academy Award for "What's Love Got to Do With It," playing the singer Tina Turner.

RAVE ON — A participant in the annual Rave Street Parade in Zurich, the "biggest party in Switzerland."

and use AT&T DirectSM Service.

With the world's most powerful network you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language.

All it takes is your AT&T Calling Card or credit card, and you're well on your way. So you can give everyone back home a ring.

For easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers	
Austria	022-910-011
Belgium	0-800-105-10
Czech Republic	0-42-006-101
Egypt (Cairo)	510-0700
France	0-800-99-0011
Germany	0138-0010
Greece	00-800-1211
Ireland	1-800-350-000
Italy	1-800-94-94-94
Israel	1-72-1011
Netherlands	0-900-422-1111
Russia & (Moscow)	755-5042
Spain	900-99-99-11
Sweden	020-59-011
Switzerland	0-800-59-0111
United Kingdom A	0800-89-0011
United Kingdom A +	0500-89-0011

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at www.att.com/directservice.

www.att.com/directservice



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Gold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. *Pay phone deposit. ^Limited availability. ^Calling available to most countries. Open public phones require local coin payment during the call. *Dial "02" first, outside Cairo. Additional charges apply outside Moscow, CU, UK, access number in NL, Ireland, +if call does not complete, use 0800-013-0011. ©1998 AT&T